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FINANCIAL TIMES

No. 26,977 Monday May 24 1976 ** 10p

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NEWS SUMMARY

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Chancellor is still reluctant to go to Monetary Fund

BY SAMUEL BRITTAN

No inquiries were made about a drawing on further tranches of the U.K.'s quota with the IMF during the annual round of consultations with the Fund team which visited London last week.

This visit coincides with a further drop in the Sterling Exchange Rate. It fell during the week from \$1.5174 to \$1.5071 and from 37.7 per cent to 38.5 per cent on a weighted depreciation basis.

As foreshadowed by Mr. Denis Healey on April 4 the U.K. has now drawn its standby SDR 700m., equivalent to about \$800m., which should alleviate the pressure on the reserves this May. Under a temporary arrangement for a 45 per cent increase in all quotas, the U.K. could supplement this by a further drawing of about \$200m., without going into its first unconditional tranche.

Quota rise

The Chancellor is extremely reluctant to consider drawing on Britain's remaining three tranches at the Fund at present. These would amount to SDR 2.1bn., or approximately \$2.4bn. By taking advantage of the temporary quota increase, this could be stretched to \$3.5bn.

On the other hand, there have been very informal, high-level contacts in Washington by officials to ascertain what the conditions would be for a drawing, should circumstances force the British Government to change its line. But for the time being, overriding priority is being given to the pay deal with the TUC.

This means that the Chancellor is going out of his way to avoid means of domestic retrenchment which might offend

Alaska pipeline problems

BY DAVID BELL

WASHINGTON, May 23. THE U.S. Government has begun an urgent review of nearly 4,000 "problem welds" on the 800-mile trans-Alaska oil pipeline in a move which could delay its opening for months and cost the eight oil companies building it many millions of dollars.

Mr. John Laiz, assistant to the Under Secretary of the Interior, confirmed today that inspection on welds on the 870n. pipeline has revealed that 28 must definitely be replaced and that a further 3,955 have to be investigated further.

British Petroleum has a 15 per cent direct stake in the pipeline and a further indirect 35 per cent share through Standard Oil of Ohio. The 48-inch pipe, first planned seven years ago and delayed by fierce opposition on environmental grounds, is designed to carry 2m. barrels of oil a day from Prudhoe Bay to the sea.

Inspection of the more than 30,000 welds made on the pipeline last year has, according to Mr. Laiz, revealed that nearly 4,000 do not meet the absolute standards laid down by the American Petroleum Institute.

Using the technique of fracture mechanical analysis, developed since these standards were laid down, it may well be possible to determine that more than 4,000 welds are more than strong enough to meet any pressure that might affect them.

But that could still leave as many as 1,200 welds—about half of them underground or under water—requiring replacement.

No one knows how much that would cost or how long it would take but the Alyeska Pipeline Service Company, the consortium building the line, was quoted in the New York Times at the week-end as saying that replacement of the first 28 welds will cost between \$5m. and \$10m. but will not delay to 1977 start of the pipeline.

Upturn brings worry over steel supplies

BY ADRIAN HAMILTON

MANUFACTURING industry and the Government are increasingly anxious about steel supplies as the economy improves.

The British Steel Corporation is confident it can meet demand, but sectoral studies by Little, Neddys of the National Economic Development Office show steel as one of the most common potential "bottlenecks".

A number of customers, particularly steel stockholders, are complaining that BSC is unable to meet their requirements for individual steels during this quarter.

The issue, being discussed by a special NEDO group on which BSC, its customers and the Government are represented, is one which has so far generated more heat than light.

On the other hand, recent figures suggest that both wide and in the U.K. steel is beginning to respond sharply to the economic upturn. Only last month, Sir Monty Finniston, the Corporation chairman, said that, apart from strip mills, BSC was working at 83 per cent of capacity, compared to 70 per cent last year.

But with demand still rising—and in the light of experience, both of BSC's failure to meet targets on its 800,000-tonne stockpiling scheme and its problems in meeting demand for strip mill products—customers and Government officials are clearly concerned that the Corporation is poorly placed to meet a rapid rise in general sales.

BSC replies that the strip mill problems are particular to that division and are rapidly being overcome with the introduction of the blast furnace at Llanwern and an improvement in labour relations.

It also argues that real demand growth remains gradual and that any problems encountered during the last few months arise from artificial calls on supplies by stockholders seeking to pre-empt price rises and stock up against an assumed boom.

Stocks, it asserts, remain at far higher levels than usual and, against a relatively slow revival in economic activity, there should be more than adequate production over the next 12 months.

A major problem for BSC will be the degree to which the upturn in output and demand will strain its recent agreement on demand and productivity with the unions.

Already, pressure is rising on that part of the agreement in which the unions accepted lower levels of output on the older, higher cost plants and the Corporation recently decided to allow the return to use of a production line in Ebbw Vale.

Whether BSC will be willing to see the more general restoration of its temporarily closed-down remains uncertain, but there is suspicion among some of the Corporation's customers that the BSC would prefer to restrain output and that it may have introduced its latest price rise partly with this in mind.

The rise in demand and fears of a shortage of inplate also appears to have been behind BSC's recent suggestions that it would be willing for new investment to go ahead in Port Talbot, even without a temporary steel-making at Shotton. Previously, the BSC had followed the line that the Port Talbot investment was dependent on Shotton.

BSC announced yesterday that it had signed a "memorandum" over the week-end with the Romanian government to provide a joint iron and steel developments.

Money supply up sharply on narrow definition

BY MICHAEL BLANDEN

A SHARP rise in the U.K. money supply on the narrower definition used by the authorities is revealed in the latest figures, published today, covering the five weeks to April 21.

Official statistics, however, is being placed on the more reassuring figures for the money supply on the wider measure, which covers a broader range of bank assets and has shown a much lower rate of growth.

Money supply—represented by the liquid resources available to finance current transactions in the economy—known as M1—includes cash and current accounts. The wider concept—known as M3—adds certain other assets to the total figure, notably deposit accounts.

On the M1 measure, the money stock has been rising at a rate of over 27 per cent a year during the past three months. But the growth in M3, at an annual rate of around 13 per cent, is in line with current Government policy.

Official aim

It is now known that the official aim is a growth rate in M3 of around 12 or 13 per cent a year. This would be consistent with the Government's hope of cutting the rate of inflation back to around 10 per cent.

The figures for the last three months, it is felt, may somewhat exaggerate the underlying trend as they include two periods

—February and April—when there were exceptionally sharp increases in money supply.

Both measures of money supply tend to be erratically influenced from month to month by special factors. But it is felt in Whitehall that the M3 statistics should be taken as the more reliable indicator of future inflationary trends.

The narrower definition of the money supply—though given greater emphasis in monetary policy in other countries, including the U.S.—is felt in the U.K. to be more a passive reflection of past events than a lead indicator.

However, some economists in the City argue that greater attention should be paid to the much higher rate of growth in M1.

The latest figure for the month to mid-April has again been affected by a number of exceptional influences which, on balance, may have exaggerated the growth of money supply.

There was a large rise in bank lending, partly due to borrowing to finance the sale of government securities, which will have tended to raise the amount of money in the system. Movements in the money markets may also have relatively exaggerated the growth of M1.

Against this, the Government's own borrowing needs were reduced because of a substantial

Hope for stalled UN trade talks

BY ADRIAN DICKS

THE FINAL week of the United Nations Conference on Trade and Development (UNCTAD) which is seriously deadlocked, opens in Nairobi on a slightly more hopeful note, following talks here today between Dr. Henry Kissinger, U.S. Secretary of State, and Herr Helmut Schmidt, West German Chancellor.

At the end of several hours of discussion—which also touched on Nita and on the world economic situation—Dr. Kissinger said that "there can and should be a successful conclusion to the Nairobi conference."

Investments

American sources said the German had given their support for Dr. Kissinger's proposed international commodity bank to protect and finance major new investments in raw materials production.

There were also signs that, although both countries remain opposed to proposals for universal commodity price agreements, they may both now be willing to agree to the financing of buffer stocks for at least a few key raw materials.

Dr. Kissinger's brief visit to Bonn came on the eve of a critical meeting of the West German Cabinet, which will have to decide whether the government sticks by its opposition to the demands of most of the less-developed countries, or whether it goes along with the type of compromise put forward by France and other members of the European Community.

Temperamentally, the West Germans and the Americans are opposed to the integrated commodity price pact plans of the developing countries, and to any global attempt to deal with the crippling debt burden many of them have to bear.

Both the U.S. and West Germany, as the largest and third-largest consumers of raw materials respectively, have, however, been under great pressure to go at least some way towards meeting the Third World's demands on commodities and debt relief in order to avoid a breakdown of UNCTAD IV—and possibly of the Paris-based Conference on International Economic Co-operation.

Pressure on the Americans to bring Herr Schmidt's Government round has almost certainly come from Saudi Arabia—the most powerful voice within the

1% rise in bank rates expected

BY MICHAEL BLANDEN

THE COST of bank loans is expected to rise early this week, probably by a full 1 per cent.

This will follow the increase in the Lending Rate on Friday from 10½ to 11½ per cent, a move to help stem the persistent pressure on the pound. The big banks are reluctant to raise their loan rates. But they are unlikely to be able to resist the effect of the resulting general increase in the level of money market interest rates.

Bank base lending rates are likely to be increased from 9½ per cent to 10½ per cent. This will mean that the cost of advances to the top quality corporate customers will go up to at least 11½ per cent. Personal customers will probably pay 12½ to 13½ per cent.

The building societies are not expected at present to consider reversing the ½ per cent reduction in mortgage and deposit rates which they agreed last month. They have been caused some embarrassment by the reversal of official policy which, as a result of external pressures, has brought a 2½ per cent rise in MLR since that decision was taken. But they see no reason to adjust their rates immediately. With the general cost of money relatively low in order to encourage investment, the increase has been made necessary by pressure on sterling. The aim last week was to compensate for the rise in money rates in New York, maintaining the differential in London in order to protect sterling which the Government argues, has now gone down too far.

With the economy beginning to pull out of the recession, the Government would prefer for domestic reasons to keep the cost of money relatively low in order to encourage investment.

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FEATURES	
gerger a chairman's	Bottle fight over beer 15
companies prepare	FT SURVEY 10, 11
then oil runs out	Coventry 24, 25

ON OTHER PAGES	
28 Labour News	5 ANNUAL STATEMENTS
3 Leading Articles	14 Stanley Gibbons Int.
13 Letters	15 Radio Carrier
13 Less	26 Hongkong Land Co.
13 News & Diary	27 Perils Holdings
13 News	27 Settlers
13 News	27 Terms
13 News	27 Uruguay
13 News	27 Overseas News
13 News	27 Share Information
13 News	27 Bank of New South
13 News	27 Wales
13 News	27 PROSPECTUSES
13 News	27 Scot. Agricul. Sec.
13 News	27 United States Em. & C.
13 News	27 Base Lending Rates

LOMBARD

Why we got into the mess

BY C. GORDON TETHER

"WHAT CONSISTENTLY supply. So it was becoming obvious as far back as the mid-1960s that the world would run into a major economic disaster unless steps were soon taken to slow down the growth of the main elements in the international liquidity supply—official reserves and money circulating in the Euro-currency markets."

The writing on the wall was totally ignored. Indeed, after the opening of the 1970s policies were pursued by those besetting this aspect of world affairs that allowed the expansion in the global money supply to proceed at an even faster pace—as can be gauged from the fact that within a few years, as much additional liquidity was created as had previously come into existence since the beginning of history. The result was to make a world-wide inflation explosion as just as certain as it is that night will follow day.

But the question, of course, is: What made them do it? A favourite theme of one school of "conspiratorists" is that these happenings are all part of a plan which has as its ultimate objective to be able to throw this "visitation" off—still, less emerge fit enough to cope with the immense new problems arising from the population explosion, the frightening growth of unemployment and the other terrors now beginning to loom large on the global horizon.

I suspect that there is one mistake that many people make that inevitably adds materially to the difficulties they experience in getting to the bottom of the mystery. It consists in being far too ready to take for granted the absolute good faith of those who are mainly responsible for shaping the decisions that determine the course of our economic destinies.

There is a tendency to assume that the first and main concern of these "global pilots" is to do what they consider will be most likely to serve the best interests of the community at large. From which it would follow that, if things go wrong, it must be because their intellectual competence is not of the superior order one might have expected it to be—given the fact that they have at their disposal such a wonderful array of recording instruments, and an equally impressive range of devices to act upon the messages which the performance dial is spelling out.

The record, unhappily, does not indicate that such a high level of confidence in the motives of those occupying the driving seat is justified. It has long been common knowledge that one certain way of generating chronic inflation is to permit excessive increases in the money

supply. So it was becoming obvious as far back as the mid-1960s that the world would run into a major economic disaster unless steps were soon taken to slow down the growth of the main elements in the international liquidity supply—official reserves and money circulating in the Euro-currency markets."

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THE WEEK IN THE COURTS

Partnerships and tax after the Budget

BY JUSTINIAN

THIS COLUMN on March 29 1974/75 £400,000 whether actual or preceding year basis; 1975/6, £400,000; 1976/7, one-twelfth of £400,000.

The last column of the table gives £600,000 as the closing key "work-in-progress" for 1975/6. Mr. Ross, however, used a figure of £1m, but it is—on the assumptions made as to steady working—still £600,000. This is because no more than £600,000 of costs have actually been incurred in respect of WIP at April 30, 1976.

The rest of the costs actually spent during the year (£200,000) together with the costs brought forward from the previous year (£800,000) are still deducted from bills delivered (£1.2m.) to arrive at net profit (£400,000). So much for Mr. Ross's claim. Mr. Morrison's point is that the tax advantage is a case of swings and roundabouts. To anticipate further correspondence let me consider the tax treatment of the sums that in due course find their way into the pockets of the retiring partners. These receipts used to escape tax altogether. *Corvus* (where royalties falling due on the late Peter Cheyney's immensely successful crime novels were held to maintain their status as "the fruit of his professional activity," and so not taxable under Cases III or VI) caused Parliament to intervene; and by the Finance Act 1960, Section 82 (now Section 143 of the 1970 Taxes Act) an attempt was made to tax what may loosely be called (1) [1959] A.C. 412

ACCOUNTING PERIODS DURING LIFE OF PARTNERSHIP (FIGURES IN £'000s)

	1971/72	1972/73	1973/74	1974/75	1975/76
Bills delivered	200	1,200	1,200	1,200	1,200
Costs	800	800	800	800	800
Balance	—600	400	400	400	400
Adding closing work in progress	600	600	600	600	600
Balance	—	1,000	1,000	1,000	1,000
Less opening work in progress	—	600	600	600	600
Profits of accounting period	NIL	400	400	400	400
Use made thereof in computing assessable profits	11/12ths of nil for 71/72 and 72/73	never used for 73/74	1/12th for 74/75	11/12ths for 75/76	1/12th for 76/77

* All accounting periods from May 1 to April 30.

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1974/75 £400,000 whether actual or preceding year basis; 1975/6, £400,000; 1976/7, one-twelfth of £400,000.

The language used by the draftsman is not, however, clear beyond argument. One of the key paragraphs reads as follows: "Tax shall be chargeable under Case VI in respect of the sums arising from the carrying on of the profession during any period before the discontinuance, where the profits for that period were computed by reference to earnings, in so far as their value was not brought into account in computing the profits for any period before the discontinuance."

Apply these words, particularly those italicised, to the example considered: taxpayers will no doubt pounce on the words "their value" and, pointing to the figure in the closing accounts of £800,000 for work-in-progress, will ask rhetorically, what is that figure but a valuation of the work? It must follow that the value of the work retained by the retiring partners has been brought into account (the words of the statute) "in computing the profits" of the last period before discontinuance.

The Revenue would doubtless reply that such a view pays little heed to the vital words "in so far as," and would make the degree to which such post-cessation receipts did or did not escape tax vary according to the individual method of costing firm to firm. The point relevant may loosely be called (1) [1959] A.C. 412

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HOME NEWS

Vacuum Generators proposes division of AEI Scientific

BY MARGARET REID

VACUUM GENERATORS, the unquoted scientific instrument company, has put forward a five-point proposal for splitting the business of its rival, AEI Scientific, between itself and the State-backed Cambridge Instrument.

The proposal is being offered as an alternative to the much-discussed idea that Cambridge Instrument should take over AEI Scientific, which has incurred losses, with new public cash support.

AEI Scientific, which last week gave warning of 95 impending redundancies among its 600-strong Manchester-based workforce, is a subsidiary of GEC, which is unwilling to continue it indefinitely on its present scale.

The possibilities for the future of the AEI Scientific business, which like Vacuum Generators produces mass spectrometers and like Cambridge Instrument makes microscopes, is a subject of much discussion in the industry.

Hitherto, it has been widely expected that Cambridge Instrument, formed with £4m. of Government backing last year as the intended nucleus of a reorganised scientific instrument industry, would take over AEI Scientific.

Rundown

A measure of tentative understanding in principle on such a course has been reached between GEC and Cambridge Instrument, but this would be conditional on the provision of further State cash backing, perhaps of up to £2m. to Cambridge Instrument, in which the National Enterprise Board has a 28 per cent. share stake—and no agreement on the idea has been concluded.

Vacuum Generators was set up in the 1960's and currently has annual sales of about £5m., rather more than AEI Scientific's near-£3m. Its proposals, made known to the Department of Industry and the National Enterprise Board, would involve the rundown of AEI Scientific, whose mass spectrometer and certain other business would pass to Vacuum while its microscope business went to Cambridge Instrument.

Mr. Douglas Latham, joint managing director of Vacuum, said last night: "We really think the Government's assistance should be used to strengthen the industry as a whole, rather than increase competition in it."

Only £5m. of this is attributable to a trading loss. The balance of about £25m. results from a revaluation of property in line with the Community Land Act.

More than £4m. of the trading deficit is expected to be attributed to the five-week strike in the enclosed docks at the beginning of last year and the remainder to an overall 20 per cent. drop in trade.

The decision to forego any increase in scheduled charges this year, taken by the Authority's Board on Friday, is partly a bold gamble on a trading recovery and partly a

recognition that a further rise might drive traffic away.

London's charges were put up 12½ per cent. in January and a similar increase, worth about £2m. revenue in a full year, had been contemplated from the end of June.

Cushion Without any increase this year, it is unlikely that the authority will have much of a cushion against the burden of labour costs which helped create cash flow problems a few months ago, leading to Government approval for an increase in its overdraft. It is estimated that London now has about 1,500 more dockers than it needs whose annual wage bill is between £6m.-£7m. Moves to reduce this surplus under the voluntary severance

scheme have met with little success this year.

Last year about 800 men received lump sums of up to £2,500 and left the docks but in the last five months only 50 have come forward.

Areas of high unemployment along the Thames partly explain the poor response, but there are also doubts at the Authority whether the cash "cushion" is now large enough.

The Authority has delayed publication of its annual report until Price Waterhouse completes the study of its financial structure, which has been requested by the Government.

This is now in draft form and is believed to offer support for the Authority's view that it should not have to bear the cost of surplus labour which it cannot shed because of the National Dock Labour Scheme.

Port of London defers increase in charges

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE PORT of London Authority in a bid to attract more trade is deferring any increase in its charges this year in spite of an overall loss to be announced next month of about £33m. in 1975.

Only £5m. of this is attributable to a trading loss. The balance of about £25m. results from a revaluation of property in line with the Community Land Act.

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Liberals reject poll code of conduct

By Richard Evans, Lobby Editor

THE Liberal Party council has decided not to impose a code of conduct in the forthcoming contest for the party leadership, on the grounds that it would be an insult to tell candidates how to conduct themselves in the election campaign.

The decision, made in private at Oxford at the week-end, came after leading contenders, Mr. John Pardoe and Mr. Emyln Hooson, had opened their campaigns by sniping at the political attitudes and attributes of their rivals.

A motion to lay down rules was defeated by a substantial majority on a show of hands, but earlier the council took the first steps towards recommending new election procedures which will go before the special assembly at Manchester on June 12 for approval.

Mr. Pardoe, MP for North Cornwall, in a speech on Saturday attacked the views of Mr. David Steel, his chief rival, for describing the Government's pay agreement with the unions as "a constitutional outrage."

Taxes Mr. Pardoe argued that the belief that a pay deal represented an outrage stemmed from the belief that Parliament was sovereign and that it was quite wrong for the Government to use taxation to dictate the level of taxation.

But, in fact, Parliament had not surrendered its powers to fix taxes.

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Domestic appliance fail to respond to Budget changes

BY LORNE BARLING

SALES of domestic goods in January, when only 13,000 were sold, were up 30,000 in February and 33,000 in April last year.

Figures for deliveries of domestic goods to the U.K. trade last month show that consumer demand for most durables has slumped significantly, reflecting falling disposable income and caution about spending of this kind.

Manufacturers believe there are now slight signs of an improvement in the market, but the level of deliveries is still far below that of last year.

One of the worst hit markets was for spin driers, when only 13,000 were sold in February and 33,000 in April last year.

Refrigerator deliveries, which were up 32,000 compared with 81,000 in March, but well below the figure of 128,000 in April last year.

The level of freezer deliveries was also down to 31,000, compared with 39,000 in February and 53,000 in April last year.

On the postal side, mail delivered more promptly than the price.

There must be an earlier date for receipt of business than the present 5 p.m. to 6 p.m. This would even out inflow and allow extra time delivery.

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Post Office split gains support

FINANCIAL TIMES REPORTER

SUPPORT FOR the idea that the

OVERSEAS NEWS

Carlos and Arias loggerheads over reform plan

OGER MATTHEWS

MADRID, May 23.

INTERNAL battle between, undoubtedly prompted the Spaniards to open the King's recent initiative. Don Juan, the King's father who has never renounced his claim to the throne, is understood to have urged his son to adopt a more vigorous political role during talks between the two men on Friday.

Although the King would have liked to have replaced Senor Arias before his trip to the U.S. early next month it now appears that a Government reshuffle is going to have to wait.

The PM is known to be at loggerheads again with Senor Arias, the Foreign Minister, who would probably be the King's choice for Premier—over a speech made last week by a senior member of the Foreign Office, Senor Arias wants the man, who is head of the Africa section, sacked for a critical reference to General Franco, something which Senor Arias has adamantly refused to do.

Another sign of the levels of discussion within the Government is that there is still no agreement over what next Sunday's annual military parade should be called. Traditionally the Victory Parade, to mark the success of General Franco's forces in the civil war, there had been a move within the Government to have it retitled The Day of the Armed Forces. Moderate observers here believe that it would be a political error for the King to preside over a parade to mark the end of the country's historical divisions.

utch nuclear deadlock

MICHAEL VAN OS

AMSTERDAM, May 23.

UTCH coalition was still locked this week-end over the issue of approving the final Dutch nuclear plant. The Dutch government has been in a deadlock over the issue of credit for the Dutch shipbuilding and engineering company, which is the main Dutch participant in a consortium with General Electric of the U.S. and Brown-Boveri of Switzerland, stated that the State guarantee was vital in order to obtain the South African order.

He thus ended speculation that, if necessary, the credit guarantee could be arranged privately with domestic financial institutions.

NESTLÉ ALIMENTANA S.A.

CHAM and VEVEY

SWITZERLAND

PAYMENT OF DIVIDEND COUPONS

ice is given to shareholders that following a resolution passed at the General Meeting of shareholders held on 20th May 1976, dividend for the year 1975 will be paid to them as from 24th 1976, as follows:

per share	Fr. 65.—
less Swiss federal tax of 35%	Fr. 22.75
or net	Fr. 42.25

against delivery of coupon No. 19.

amount is payable in Swiss francs. Paying Agents outside Switzerland will pay in the currency of the country in which the coupons are presented, at the rate of exchange on the day of presentation.

coupon No. 19 may be presented as from 24th May 1976, at the wing Paying Agents of the Company:

Switzerland:
 Swiss Credit Bank, Zurich, and its branches.
 Swiss Bank Corporation, Basle, and its branches.
 Union Bank of Switzerland, Zurich, and its branches.
 Banque Populaire Suisse, Berne, and its branches.
 Banque Cantonale Vaudoise, Lausanne, and its branches and agencies.
 Banque Cantonale de Zurich, Zurich, and its branches.
 Banque Cantonale de Berne, Berne, and its branches.
 Banque Cantonale Zougloise, Zoug, and its branches.
 Banque de l'Etat de Fribourg, Fribourg, and its agencies.
 Carier & Cie, Geneva.
 Lombard, Odier & Cie, Geneva.
 Metc & Cie, Geneva.
 Handelsbank, N.W., Zurich.

Ireland:
 Swiss Bank Corporation, London.

United States of America:
 Morgan Guaranty Trust Company of New York, New York.
 Swiss Credit Bank, New York.
 Swiss Bank Corporation, New York.

France:
 Crédit Commercial de France, Paris.
 Banque de Paris et des Pays-Bas, Paris.

Germany:
 Dresdner Bank A.G., Frankfurt/Main and Düsseldorf.

Holland:
 Pierson, Helderling & Pierson, Amsterdam.

Austria:
 Girozentrale und Bank der Österreichischen Sparkassen A.G., Vienna.

Spain and Vevey:
 May 1976

The Board of Directors

UNILAC, INC.

PANAMA

PAYMENT OF A DIVIDEND

ice is given to shareholders that following a resolution passed at the Board of Directors on 10th May 1976,

a dividend for the year 1975 of \$5.50

common share will be paid to them as from 24th May 1976, delivery of coupon No. 19 and this in accordance with the provisions of the Articles of Incorporation.

dividend is payable in U.S. dollars. Paying Agents outside United States will pay in the currency of the country in which coupons are presented, at the rate of exchange on the day of presentation.

coupon No. 19 may be presented as from 24th May 1976, at the wing Agents indicated in the notice of Nestlé Alimentana S.A. the same date. In accordance with the Articles of Incorporation of the Company, it should be presented for payment at the same time as dividend coupon No. 19 of Nestlé Alimentana S.A. the same number as the corresponding Unilac, Inc. share.

ama City.

The Board of Directors.

Giscard promises to serve his term

WASHINGTON, May 22.

PRESIDENT Giscard d'Estaing of France has promised to remain in power until his term expires in 1981, even if the opposition Left won the general election in two years' time.

Answering questions on television, the President declared: "I have been elected for seven years. I will remain for seven years." Asked if he would stay on as President regardless of who won the 1978 general elections, he replied: "Absolutely yes."

The constitution provides that the President chooses the Prime Minister. He said: "I will choose the Prime Minister. And then Parliament has the right to have a vote of no confidence against him. So it all hinges on that. My responsibility will be to choose a Prime Minister. I will do it."

Since President Giscard has virtually ruled out any compromise with the Communists in the event of a Left alliance victory, his response left open the possibility of his selecting a premier with minority backing in Parliament.

Oceanic quits Greek oil push

By Our Own Correspondent

ATHENS, May 23.

OCEANIC Exploration of Denver, Colorado, the leading member of a four-company consortium which discovered oil off the north Aegean island of Thassos in 1973, has reportedly run into financial difficulties which have forced it to relinquish responsibility to Wintershall of West Germany.

An announcement by the State-controlled Public Petroleum Enterprise said the consortium had informed it of the change on May 19. There were no details of the difficulties encountered by Oceanic, which has a 68.7 per cent stake in the consortium. Wintershall and Hellenic Oil each hold 12.5 per cent, and White Shield Greece Oil Exploration has 6.25 per cent.

Uruguayans killed

The bodies of four people, two of them identified as former Uruguayan Parliamentarians and another as the widow of a Tupamaro urban guerrilla slain by the Uruguayan security forces in 1973, have been found in an abandoned automobile here, Robert Lindley reports from Buenos Aires. Apparently they are the victims of Right-wing political terrorists.

Iran blames Libya

The Iranian security forces claimed yesterday to have discovered proof that guerrillas killed in recent clashes had supplied Libya and the Marxist Palestinian group PFLP, headed by Mr. Georges Habash, Robert Graham reports from Tehran. The documents discovered allege that \$100,000 every quarter is paid by the Libyans to the guerrillas. The documents also refer to the supply of weapons coming from Libya. In the past week there have been a total of 24 guerrillas killed in shootings, along with six security officials and five bystanders.

No German union

East Germany's Communist leaders have finally and formally abandoned old hopes of reuniting their homeland, pledging instead unbreakable loyalty to the Soviet Union. Reuter reports from East Berlin. The Ninth Congress of the Ruling Socialist Unity Party ended this week-end by adopting new codes of rules and aims for its 2m. members, replacing versions dating back to 1963.

Poll boosts Miki

Japan's ruling Liberal Democratic Party won an Upper House Parliamentary by-election yesterday in the first public voting since the Lockheed bribes scandal surfaced and rocked Japan's conservative establishment. Political observers said the victory would help Prime Minister Takeo Miki to fight moves to oust him from the Party leadership, Reuter reports from Tokyo.

Machel ends visit

Mozambique and the Soviet Union yesterday called for the elimination of all foreign military bases in the Indian Ocean. A joint communique, issued after a six-day visit by Mozambique President Samora Machel, said both countries stressed that "unity of action by the peoples of Africa, Asia and Latin America with the socialist countries and other progressive forces of the world, is an earnest of success in their anti-imperialist struggle," Reuter reports.

Ford back in front

Previously uncommitted Republican convention delegates in Vermont, Alaska, Kansas and Pennsylvania declaring for U.S. President Ford gave him 561 votes to Mr. Ronald Reagan's 340, and Mr. Ford said he hoped to pick up 120 more commitments from New York delegates to-day. The Presidents predicted that he would win Tuesday's key Oregon primary, Reuter reports.

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French offer deepens Beirut rifts

BY IHSAN HAJAZI

BEIRUT, May 23.

INCREASED Arab and other foreign intervention has made the mission of President-elect Elias Sarkis to find a way out of the 14-month-old Lebanon impasse much more difficult. The offer by President Giscard d'Estaing to send a French force of up to 5,000 men to help maintain law and order for a specific period of time has itself become a subject of controversy.

The Left-wing alliance under Kamal Jumblat and Moslem militias have strongly objected to the offer, while it has drawn implicit approval from the Christian Rightists.

The offer came as more Arab regimes are trying to play an active part here, and, as the Soviet Union is itself setting into the act after months of standing on the sidelines. The "internationalisation" has stymied efforts by Mr. Sarkis to bring about a locally generated national reconciliation.

Mr. Rashid Karami, the Premier, criticised the French proposal, saying: "We tell those who want to dispatch French troops, we thank you for your concern and affirm that we will not make concessions over a single inch of Lebanese territory. Mr. Sarkis, however, has avoided taking a stand on the issue."

Mr. Jumblat, after warning President Giscard against dispatching French troops here, cautioned Mr. Sarkis against accepting them, and urged the latter to press for a Lebanese solution. The leaders of several Moslem activist groups issued statements threatening to reconsider their friendly stand towards France if the latter would go ahead and interfere here militarily. All these groups as well as Mr. Jumblat have been pressing for removal of Syrian troops from Lebanon.

But the Right-wing, showing more disappointment at the Syrian inability to control the situation, have indicated their endorsement of the French offer.

The radio station of the leading Right-wing group, the Phalangist Party, went so far as to say that dispatch of an outside force had become a foregone conclusion because, it claimed, agreement has been reached between President Gerald Ford and President Giscard at their Washington talks.

[Reuter reports from Bonn: The U.S. has started to collect Arab and Israeli opinion on the French proposal, Riyadh and left Cairo directly from a senior U.S. official said to-day. The official told reporters travelling on an aircraft with Secretary of State Henry Kissinger that the U.S. has still not decided whether to endorse the French suggestion.]

Meanwhile, it is reliably learned that a member of the Soviet leadership will visit Damascus and Baghdad within the next few days. A left wing newspaper, As Safir, said that it will be Premier Alexi Kosygin, Hafez Assad.

but Communist diplomatic sources said that President Nicolas Duong will undertake the trip. As Safir said that Soviet pressure on Syria contributed to the collapse of the plan for the Riyadh conference last week.

Efforts to salvage reconciliation hopes between Syria and Egypt were going on, however, writes Michael Tingay in Cairo. Prince Saud bin Faisal, and Sheikh Sabah al Ahmad, Foreign Ministers of Saudi Arabia and on the French proposal, Kuwait, flew to Egypt to-day from Alexandria for talks with President Anwar Sadat. The climate for reconciliation, however, had deteriorated sharply with highly publicised accusations on the Egyptian side over the week-end about a "Syrian-inspired plot aimed at partitioning Lebanon and destroying the Palestinian resistance."

Later the two ministers left for Damascus to meet President Sadat.

Yamani seeks to avoid OPEC clash in Bali

BY ROBERT GRAHAM

TEHRAN, May 23.

THE MAJOR producers within OPEC are trying to ensure in advance that there is no serious confrontation over price increases at the forthcoming Ministerial meeting of the organisation in Bali on May 27. This is believed to have been the main purpose of a surprise one-day visit here by the Saudi Oil Minister, Sheikh Ahmed Zaki Yamani, for talks with Mr. Jamsheed Amouzegar, the Iranian Interior Minister with responsibility for OPEC.

At the September OPEC meeting in Vienna, Iran and Saudi Arabia—the two largest OPEC producers—were in serious disagreement about the nature and extent of the price rise. The 10 per cent increase to \$11.51 per barrel for Arabian "maker" crude was only agreed after a bitter debate, and at the time some observers speculated about the disruption of OPEC with Saudi Arabia going it alone.

Although this discord has to some extent subsided, the position of Iran and Saudi Arabia does not coincide. Sheikh Yamani has stated several times, and he repeated clearly in an interview published in a local paper today, that he opposes any price rises for the current year. In the interview, with the editor of the Ettelaat group of newspapers, he said a price freeze would help to demanding a 20 per cent, increase. Iranian officials subsequently said this was merely a negotiating ploy and that Iran was aiming for an increase of around 15 to 16 per cent.

Judging from recent comments by officials here, the Iranians have moved away from the Iraqis, indeed they are angry over Iraq's continued price cutting—a subject upon which the Iranians and the Saudis agree. It also seems that the "hawkish" attitude of Iran towards prices has been mellowed by two factors since Vienna.

Iran has firstly been forced to accept that after several years of calling the shots within OPEC on prices, the Vienna meeting finally emphasised the other weight and command that Saudi Arabia had over all the other members. Secondly, and closely associated with the latter point, Iran has been made to realise the very sensitive relationship between demand and price increases.

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Rhodesia guerilla strikes spread

By Tony Hawkins

The Executive's and Office World

EDITED BY JOHN ELLIOTT

The U.K. has been comparatively slow in recognising that business aircraft can be a profitable tool of management. Michael Donne reports on the growth and problems of this area of aviation.

'No longer a chairman's toy'

WITH THE ENDING of the industrial recession, all the signs are that the business aircraft market world-wide is about to take-off for a new period of prosperity. As a result, the major manufacturers, including Hawker Siddeley Aviation of the U.K., are busy preparing new models or updating existing ones in readiness for the sales battles to come.

At the users' end of the scale, increasingly vigorous efforts are also being made, especially in the U.K., to win greater Government recognition of the role these aircraft play in promoting overall economic activity, therefore deserving more favourable treatment than they are given at present.

Particular requirements in the U.K. include the need to reduce the burden of rising costs, such as those stemming from the increased charges made by the Civil Aviation Authority for the wide variety of services it provides—licence fees, navigational services, air operators' certificates and so on.

These stem from the Government's own decision to end the subsidy to the CAA by 1977-78.

by which time that body must be paying its way. To discuss this and other problems, all users of civil aviation in the U.K., including airlines, flying clubs, manufacturers and traders and air taxi operators and business aircraft owners and operators, have jointly set up the British Civil Aviation Standing Conference.

From now on this body is expected to play a major role in putting aviation's case in general, including that of business aviation, to the Government, although it will not pre-empt the work done by the relevant constituent groups on behalf of their own members.

Users of business aircraft in the U.K. cover a wide spectrum of industry, ranging from aerospace companies like British Aircraft Corporation and Hawker Siddeley Aviation, to such industrial organisations as Bass Charrington, Birds Eye, Distillers, Guinness, Sir Robert McAlpine and Sons, Norwich Union, Reckitt and Coleman, Shell and Unilever.

Many of these are members of the Business Aircraft Users' Association, which now has over

60 members, with a total business turnover of over £350m. a year. The Air Taxi Operators' Association also provides a valuable service to businessmen.

These are not by any means all jet operators. Some companies operate one or two small single-engine cabin monoplanes, with the executive involved flying himself. Others, like Shell, have virtually small fleets, employing regular pilots and crews. They are all convinced that by using aeroplanes they can conduct their business lives much more efficiently.

The business aviation community—the manufacturers, operators and users—as a whole is therefore especially anxious to see a much more liberal attitude towards this type of flying in the U.K. It wants to see more airfields (including disused RAF airfields) made available, and would especially like a fully-equipped airport close to London given over exclusively for business aviation. Alternatively, much greater use could be permitted by business aircraft of the existing RAF station at Northolt.

It also wants to see more cus-

Charters

But while general aviation has been growing fast, the expansion of business flying—that is, businessmen using their own, their companies' or chartered aircraft, including helicopters—has been little short of phenomenal. In 1958, it was virtually non-existent. To-day, the general aviation fleet world-wide stands at around 250,000 aircraft of all kinds, of which the specifically business aviation fleet numbers about 55,250 aircraft, of which 2,500 are jets. By comparison, the world commercial aircraft fleet stands at about 8,000 aircraft, of which 5,500 are jets of various types.

The philosophy behind the business aircraft is that when used in the proper way, it can make communications for busy executives much simpler, swifter and even cheaper, especially since the business aircraft which is customarily smaller and lighter than its airliner counterparts, can go to places that the airlines cannot or do not want to reach.

The current world business fleet totals about 55,250 aircraft. Some 35,000 of these are single-engine piston aircraft, 27,000 of which are in the U.S. They cost \$14,400 (£3,000) or more. About 15,000 (of which 12,000 are in the U.S.) are twin piston-engine types, costing around \$77,000 a time. About 2,750 (1,500 in the U.S.) are turbo-prop, costing upwards of \$450,000; while about 2,500 (1,250 in the U.S.) are jets, costing anything from

\$300,000 upwards. The range of aircraft available is staggering, and businessmen contemplating getting into this field are well advised to consult one of the many aircraft brokers who can analyse their requirements in detail and recommend the most suitable aircraft.

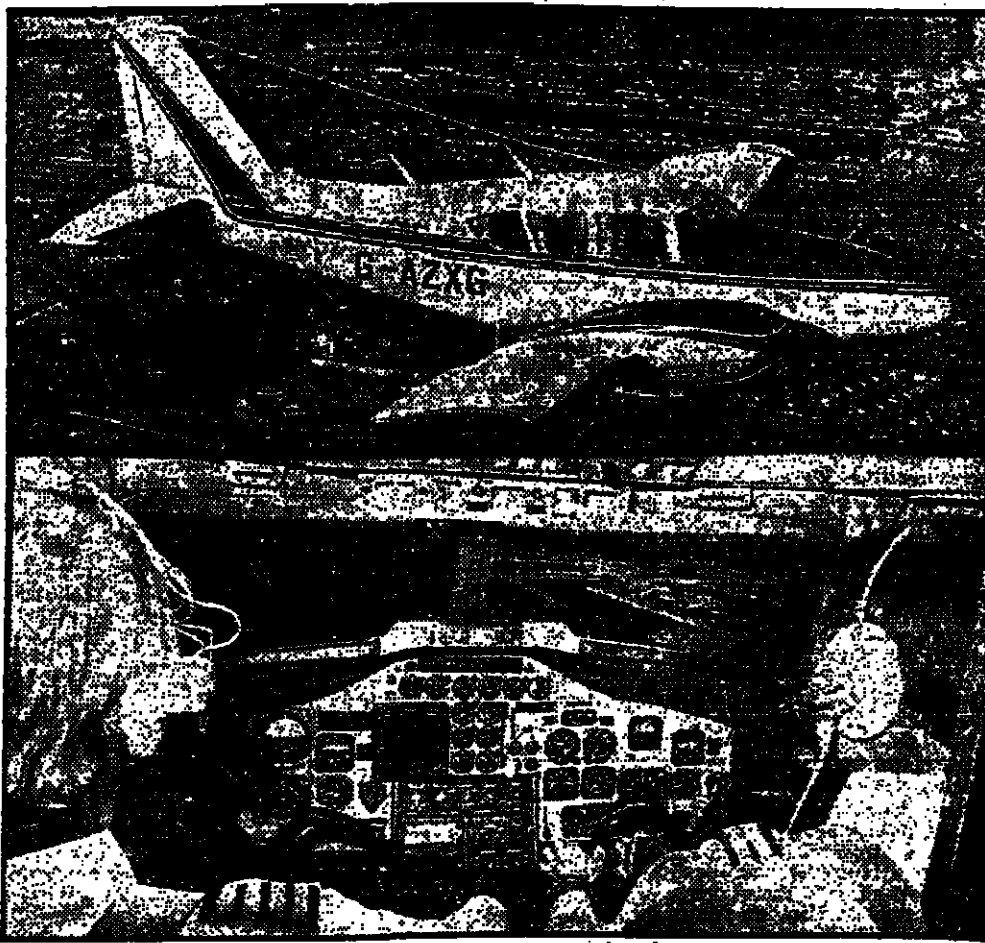
In the piston and turbo-prop market, the dominant names are Beech, Cessna and Piper, all of the U.S. and all of which have been doing well over the past year or two, with a wide range of types on offer.

The competition in the jet end of the business is tougher, with more international companies involved in a smaller segment of the market at higher unit costs. The jets themselves can be broadly divided into three categories. The largest are the Grumman Gulfstream II and the Lockheed JetStar. In the medium bracket are the Rockwell Sabreliner, the French Dassault Falcon 20 and Hawker Siddeley HS-125; while the smaller types include the Dassault Falcon 10, the Aerospatiale Corvette, the U.S. Cessna Citation and Gates Learjet, and the Israeli West-Wind.

Even during the worst months of the industrial recession, the business aircraft makers maintained a high level of activity, while their colleagues in the airliner field were forced to cut production rates and lay off labour.

One of the reasons for this buoyancy in business aircraft sales is what the makers call "market maturity"—a growing acceptance by the businessman, especially in the U.S., of the aeroplane as a tool of management, rather than as an expensive toy for the chairman and the Board. The latter attitude, although fast disappearing, is still a problem for the aircraft salesmen to overcome in some areas, and Europe is cited as being one place where the use of the aeroplane as an aid to industry still has a long way to go before it can match U.S. levels.

All of the makers are looking for orders, and all of them are constantly improving their models. This has become



A Piper Aztec over Basingstoke (above), and a Hawker Siddeley 725 executive jet approaching Gatwick.

especially necessary in the past two years or so, not only because of intensifying competition, but also because of the need for more fuel economy following the oil crisis and the resultant rise in fuel costs, but also, so far as jets are concerned, for a quieter aircraft to meet increasingly stringent environmental regulations.

These factors in particular influenced Hawker Siddeley's decision to update its HS-125 of the Series 700, which will become the Series 700 with more than 36 aircraft a year.

In the U.K., the trend towards the business aircraft, and from the use of the U.S. Garrett-TRE-701-8 turbo-prop engine instead of the existing Rolls-Royce Viper, had hoped to use a new Rolls-Royce RB-401 business jet engine, now under development, but this will not be ready for service until at least 1980, and HSA needed a new engine quickly. The Series 700 aircraft will also be much quieter (its noise "footprint" will be only 2.2 square miles against the 12 square miles of the Series 600), while in terms of pollutant emissions it will be able to meet the regulations now being prepared in the U.S. for introduction of boosting business.

Particularly, the U.K. business aviation community has been sympathetic support on the authorities and planning bodies in ensuring that adequate facilities are available. It has been estimated that in London the South-East alone, the number of general aviation movements a year will rise from 157,000 to 493,000, an argument for having a business airfield close to London is therefore a strong one, especially since the British Airports Authority wants to phase out business aircraft from Heathrow and Gatwick to keep runway capacities there strictly airline use.

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SUMMER CONFIDENCE

Optimism is at highest level for four years

INOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

Optimism of an agreement unions over pay, coupled with a marked improvement in consumers' confidence, has led to a confidence, measured by the six-month moving average, now stands at its highest level since 1972, according to the Market Research Bureau.

The survey also shows that there has been a sharp increase in the proportion of people who say it is a good time to buy durables.

Pessimists

Among pessimists, the biggest fear continued to be the ever rising prices, followed by the Government, which was adversely commented on by 10 per cent. of the pessimists.

Those worried about employment dropped from 21 per cent. in January to 4 per cent. this month, while fear of strike was mentioned by only 7 per cent. of the pessimists — one of the lowest figures ever recorded in this survey.

The "Time to Buy" index has also been showing a steady improvement throughout this year. Last month 22 per cent. more of all the respondents thought it was a good time to buy consumer durables than those who did not.

By the beginning of this month the balance of people favouring buying consumer durables had risen to 32 per cent., bringing the six-month moving average figure up to +21 per cent.

As was the case throughout last year, ABCI men were even more convinced of the merits of the Financial Times by not postponing major purchases.

change of mood was even noticeable among the professional and clerical men interviewed.

month, 16 per cent. more men were feeling pessimistic about the future than those who thought the situation would be, but this month the pessimists were outweighed by the optimists among ABCI men by 8 to 1.

result, the six-month moving average figure for ABCI men rose to show an almost proportion of optimists and pessimists.

six-month moving average for confidence among is still showing a negative of -6.3 per cent., but this marked improvement on when there was a negative balance of over 20 per cent. usual, most of the optimists interviewed based their conclusions on the belief that things

could not get worse, therefore they must improve.

A rather larger proportion than before attributed their optimism to the Government, with 15 per cent. of the optimists crediting the Government for their belief that things would improve.

chances than the manual workers interviewed.

The balance of ABCI men in favour of buying consumer durables this month outweighed by 57 per cent. those who considered it a bad time to buy. The main reason given for considering it a good time to make purchases for the house continued to be the belief that prices were bound to rise.

Consumers' view about their living standards compared to last year fell sharply last month and continued at the same low level this month.

In both months, 26 per cent. more respondents thought they were worse off compared to a year ago than those who thought their incomes had kept up with inflation, while among professional and clerical male workers, there was a negative balance of 20 per cent.

The past prosperity index has been deteriorating fairly steadily since last summer and the six-month moving average figure for all adults shows that 21.2 per cent. more respondents feel worse off to-day than a year ago.

The ABCI men continue to feel less badly hit by inflation than the manual workers, but even so, the six-month moving average figure for salaried workers now shows a negative balance of 15.2 per cent.

The survey was based on a nationally representative sample of 1,071 adults and was produced by the Financial Times by means of not postponing major purchases.

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month, 16 per cent. more men were feeling pessimistic about the future than those who thought the situation would be, but this month the pessimists were outweighed by the optimists among ABCI men by 8 to 1.

result, the six-month moving average figure for ABCI men rose to show an almost proportion of optimists and pessimists.

six-month moving average for confidence among is still showing a negative of -6.3 per cent., but this marked improvement on when there was a negative balance of over 20 per cent. usual, most of the optimists interviewed based their conclusions on the belief that things

could not get worse, therefore they must improve.

A rather larger proportion than before attributed their optimism to the Government, with 15 per cent. of the optimists crediting the Government for their belief that things would improve.

chances than the manual workers interviewed.

GROCERY PRICES INDEX

Strong rise of 2% this month, but pace slackens

BY DONALD MACLEAN

THE FINANCIAL Times Grocery Prices Index continued to rise strongly this month, gaining 4.23 points, or 2 per cent., to 226.78, though there was some slackening in the pace of the movement.

Over the past year, the index rose by 23.6 per cent., but the May rise is lower than that in either April or March, and the increase on the year is lower than the 24.7 per cent. of the 12-months to April, and well below the 27.9 per cent. of the year to January.

Expensive

The leading role in the rise this month was again played by the fruit and vegetables category — led once more by potatoes which accounted for more than half the £3.90 gain in this section of the shopping basket.

Higher prices for cabbage were also an important factor — though cheaper tomatoes were a strong offsetting item.

Meat prices were up appreciably, with beef (sirloin) commonly costing 10p a lb. more than in April, and with lamb also more expensive.

Eggs were generally cheaper, helping to make the dairy produce category in the Financial Times shopping basket the only one of the 10 to show a decline, apart from the relatively small "preserves and dry groceries" sector.

The prices for the shopping basket were collected on Tuesday, when the pound was standing at about \$1.81 in terms of the U.S. dollar, against about \$1.85 when the April shopping was carried out.

Outlook

The outlook for prices has since been coloured by a further fall in sterling's value. The pound closed on Friday at just over £1.78, which brings the reduction in its overseas purchasing power in the last three months to about 12 per cent. (measured against the dollar).

Financial Times Shopping Basket

May, 1976 April, 1976

Dairy Produce 108.97 107.72*

Sugar, Tea, Coffee, Soft Drinks 48.03 48.96

Bread, Flour, Cereals 48.21 46.76

Preserves and Dry Groceries 22.29 22.37

Sauces and Pickles 12.26 12.19

Canned goods 40.25 39.64

Frozen foods 34.45 33.78

Meat, Bacon, etc. (fresh) 152.78 148.52

Fruit and Vegetables 134.11 128.37

Non-Foods 47.89 47.06

Total 670.25 657.41

INDEX

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00;

July 107.34; Aug. 105.40; Sept. 105.26; Oct. 104.35; Nov. 105.48;

Dec. 108.26.

1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36;

June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15;

Nov. 111.44; Dec. 114.49; Nov. 25: 114.72; Dec. 2: 114.72;

Dec. 9: 114.75; Dec. 16: 115.77.

1973: Jan. 117.56; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57;

June 128.81; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 138.83;

Nov. 135.83; Dec. 138.26.

1974: Jan. 141.41; Feb. 141.52; Mar. 142.64; April 143.23; April 29:

142.64; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept.

147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.

1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.39; May 183.41;

June 193.02; July 188.45; Aug. 189.23; Sept. 186.64; Oct. 189.79;

Nov. 194.78; Dec. 201.90.

1976: Jan. 208.33; Feb. 211.81; Mar. 216.40; April 222.43; May 226.78.

The index is based on the prices paid by 11 shoppers around the country. The shopping was done in supermarkets and independent grocers.

* Corrected figure.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Home Electronics, Dom. Appliances (cl. May 27)	Nat. Exbn. Centre, B'ham
To-day	Audio Visual Exhibition (cl. May 27)	New Horicultural Hall, Cardiff
To-day	Offshore Wales Exbn. and Conf. (cl. May 28)	Belle Vue, Manchester
To-day	Light Eng'g and Workshop Equip. (cl. May 28)	Solihull
May 25-27	Business Equipment and Communications Exbn.	Wolverhampton
June 4-12	Ideal Homes and Trades Exhibition	Royal Festival Hall
June 7-11	World Gas Exhibition and Conference	Cunard Int. Hotel, W.6
June 8-10	International Print Fair	Italian Trade Centre, W.1
June 8-11	Italian Furnishing Accessories Exhibition	Metropole Centre, Brighton
June 8-12	Communications Equipment and Systems Exbn.	Olympia
June 8-12	Castrol Quinquennial Exhibition	London Heathrow Airport
June 14-18	EIA Engineering Exhibition	Nat. Exbn. Centre, B'ham
June 14-18	Int. Hospital Equipment and Health Services Exbn.	Edinburgh
June 17-24	Int. Laundry, Cleaning Equipment Exhibition	
June 22-25	Royal Highland Show	

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	British Building Exhibition (cl. May 28)	Rotterdam
To-day	Carpet and Home Textile Exhibition	Milan
To-day	Optical Equipment Exhibition	Paris
Current	International Agricultural Show (cl. May 27)	Munich
Current	Industrial Equipment Exhibition (cl. May 26)	Brussels
Current	Woodworking Machines Exhibition (cl. May 28)	Milan
Current	International Trade Fair (cl. May 31)	Brdeaux
Current	International Fair (cl. June 2)	Padua
May 29-June 3	International Furniture and Furnishing Fair	Bari
June 1-5	World Railways Engineering Exhibition	Rosle
June 6-13	International Marble Fair	Thessaloniki
June 6-17	International Fair	Poznan
June 7-12	International Shipping Exhibition	Piraeus, Greece
June 15-19	Marine Research and Exploitation Exhibition	Dusseldorf
June 20-24	Chemical Engineering Exhibition	Frankfurt
June 20-26	Int. Plastics and Rubber Exhibition	Milan

BUSINESS AND MANAGEMENT CONFERENCES

To-day	NEDC: EEC Regional and Ind. Policy Seminar	Durham University
To-day	IFIP: Pay Policy—Government Action (cl. May 26)	Whites Hotel, W.2
To-day	IFIP: Ret'ing, Banking, Plastic Money (cl. May 26)	Amsterdam Hilton
To-day	Asian Seminars: Tax and Investment (cl. May 26)	Hung Kong
May 25	Institution of Electrical Engineers: Reviving the U.K. Economy—What Can Automation Offer?	Savoy Place, W.C.2
May 25	Assoc. Cert. Acc.: Current Taxation	Exeter University
May 25	Inbucon Group: 15 and after	Financial Times Cinema
May 25-26	CBI: Strategies for Industry	Cardinal Centre, W.1
May 25-28	MES: The Practice of Credit Control	Connaught Rooms, W.C.2
May 25-28	European Federation of Fin. Analysis Congress	Brighton
May 26-28	Orr and Boss: Selling to the Offshore Oil Market	Dunchurch, Rugby
May 27	WTI: Manufacturing Licensing Overseas	World Trade Centre, E.1
June 2	Henley Centre: Consumers' Purchasing Power	Hilton Hotel, W.1
June 3-4	Financial Times, Bank of Greece, Olympic Airways: Investors Chronicle: Doing Business with Greece	Athens Hilton
June 3-4	ESC: Anti-Trust Laws and Licensing	Canterbury
June 4	Inst. of Work Study: Government Training Grants	City University, E.C.1
June 7-8	Strategic Management: Creativity and Innovation	Stratford-upon-Avon
June 7-9	Financial Times, Al-Akhbar, Egypt-Air: The Middle East Development Conference, Egypt the Next Five Years	Cairo
June 7-11	Matchett Training: Creative Design Engineering	Birmingham Centre Hotel
June 8	Compen: Ind. Democracy: Worker Participation	Co. Enterprises (N.I.), Belfast
June 8-11	Urwick: Management Information Systems	Urwick Centre, Slough
June 9	Maylebone: Recycling from Waste Materials	Bowden Hotel, Manchester
June 14-16	LCCI: Saudi Arabia and the Gulf States	Farnham Castle, Surrey
June 16-17	Institute of Marketing: Tactical Marketing	London Gloucester Hotel
June 18	ICFC: Capital Transfer Tax and Private Business	Albany Hotel, Birmingham
June 18	BIM: Legal Aspects of Industrial Safety	Management House, W.C.2
June 20-July 16	Bradford Univ.: Senior Executive Programme	Bradford
June 21	Canning House: Seminar on Brazil	Hilton Hotel, W.1
June 21-24	IPE: Training & Career Development for Engineers	Cambridge
June 21-25	P.E. Cons. Grp.: Problem Analysis & Decision-Mkg.	Training Centre, Egham
June 22	IPC: European Freight Transport	Cafe Royal, W.1
June 24-25	PCL: Public Spending and British Industry	London Polytechnic, W.1
June 25	Guardian: Contracts, Dismissals and Redundancy	Park Court Hotel, W.2
June 28-30	Financial Times, The Voice of the Nation, Thai Airways International: Asian Business Briefing	Indra Regent Hotel, Bangkok
June 29-30	Imp. College: Distribution Management Science	Imperial College, S.W.7

ATLANTIC FLIGHT



EFFICIENCY & DEPENDABILITY

Being absolutely essential in the Electrical Equipment, the Vickers-Vimy machine, used by Captain John Alcock, D.S.O., and navigated by Lieut. A.W. Brown—the first airplane to cross the Atlantic in one stage—was equipped with

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Aero Dynamos

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JOSEPH L. L. Electrical Engineers

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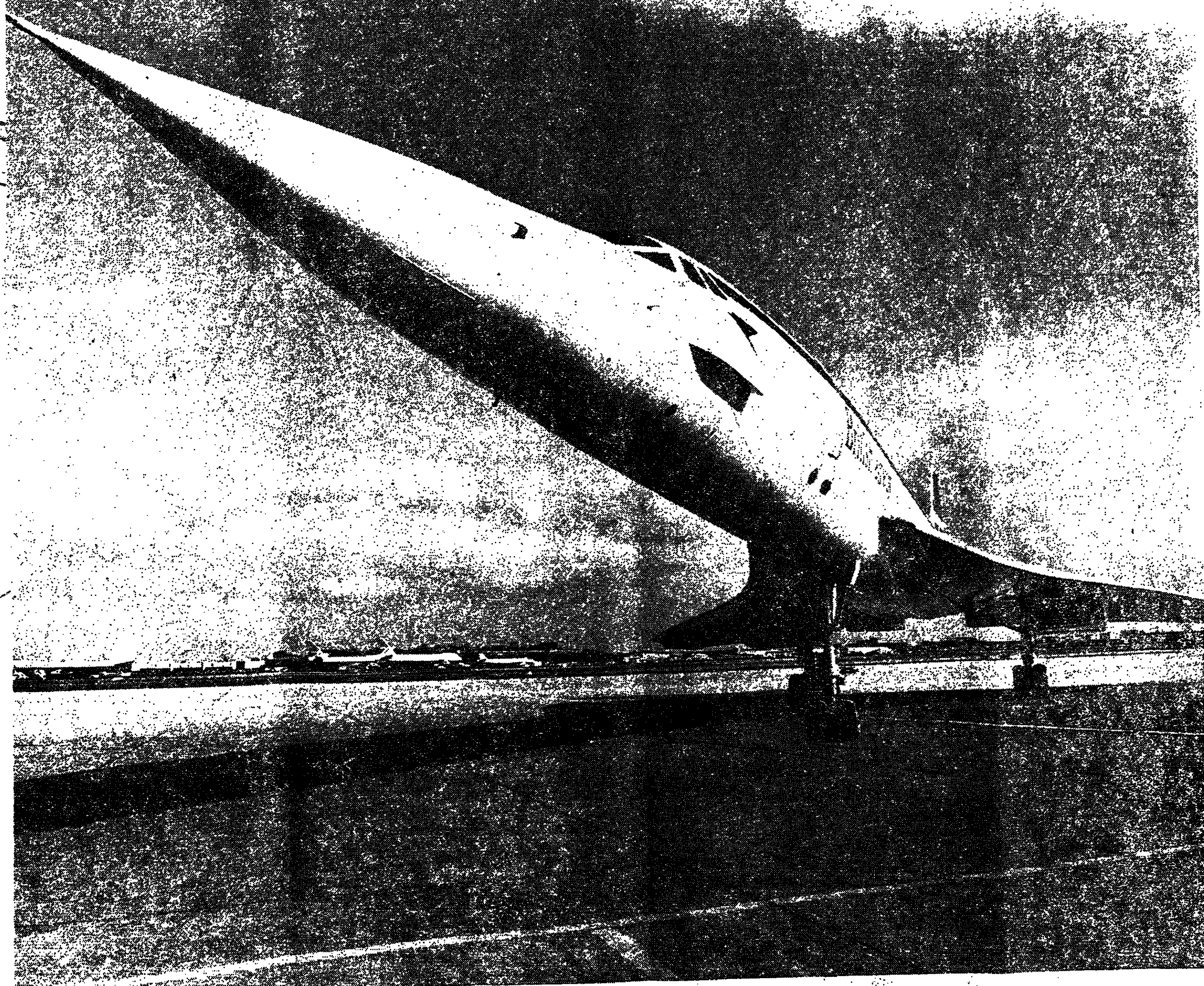
In 1919, Lucas dynamos supplied electrical power for Alcock and Brown's Vickers Vimy, first aircraft to cross the Atlantic ocean non-stop.

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Concorde will fly to Washington twice weekly, every Saturday from May 29th, and every Thursday from June 3rd.

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NEW MOTORWAY LINK

To-day's opening of a new section of the M62 marks the virtual completion of the 109 mile motorway linking Merseyside on the west and Humberside on the east. It is also one of the most ambitious road schemes ever undertaken in Britain.

AT 11-O'CLOCK this morning when Dr. John Gilbert, the Minister for Transport, formally opens the new bridge carrying the M62 Lancashire-Yorkshire motorway over the Ouse a few miles north of Goole in Humberside, the task of building this 109-mile dual three-lane motorway between Merseyside on the west coast and Humberside on the east will have been virtually finished—some 15 years after the first route survey for the middle trans-Pennine section was authorised and some ten years after construction of the first six-mile section began.

Journey

After to-day only one short stretch will remain to be completed—the last 3½ miles of the westbound carriageway at the Liverpool end—and that should be ready for use later this summer. Together with the completion earlier this year of the dual carriageway Caves bypass at the eastern end of the M62, there will then be dual carriageway road or motorway all the way between the outskirts of Liverpool and the outskirts of Hull and the journey time for the 130 miles between the centres of these two cities will have been reduced to less than 2½ hours, barely half the time the journey took before the advent of the M62.

Out of the 3,000 miles or more of motorway and all-purpose dual-carriageway roads which have been built in Britain in the last quarter of a century,

it is not easy to pick out one particular route for special mention. But the M62 would probably come high up on most people's pecking order.

It was in the first place, one of the technically most ambitious highway schemes ever to have been attempted in this island. The landscape through which it runs—ranging from the arable plains of south Lancashire and the Humber estuary and the highly industrialised areas of Lancashire and Yorkshire to the rocky uplands of the Pennines—presented engineering problems of formidable complexity: peat with its associated foundation problems, mining subsidence, abandoned mine shafts, innumerable canal, river, road and rail crossings, and on the trans-Pennine stretches, where the motorway reaches 1,220 feet at its highest point, the removal of millions of tons of material, much of it solid rock, for embankments and cuttings. The highest embankment—along the top of the Scammonden Dam—is 250 feet and the deepest cutting is 150 feet.

The Rakewood viaduct which takes the M62 over the valley of Longden End Brook is the highest bridge in Lancashire and one of the highest in Britain. Scammonden bridge in the Pennine section is the largest single-span, fixed-arch bridge in the country. The Kirkstall viaduct spans the River Calder, a railway, and the Calder and Hebble Navigation. And to-day's new Ouse bridge, which is some three-

quarters of a mile in length, has a 75-foot headroom to provide clearance for shipping.

Even before work began, extensive research had to be undertaken into the difficulties that were likely to be caused during the construction of the trans-Pennine sections by the

exceptionally severe winter conditions of wind, blizzards, freezing fog and sub-zero temperatures and, subsequently, to the traffic that would be using the motorway—which, at capacity, could be up to 100,000 vehicles a day. An eight-mile section of the motorway on the eastern slopes of the Pennines between Rockingham and Ainsley Top interchanges has been lit as part of the programme to provide lighting on motorways in areas particularly prone to fog, and so have further lengths on the 12 miles between Ainsley Top and the M621 spur to Leeds and on the 24 miles between Liverpool and Worsley, just west of Manchester.

Technical achievement is not the only reason for giving the

M62 a high rating, however. Of equal significance, especially now that the motorway is open virtually throughout its length, will be its longer-term economic implications. It is not merely the first modern coast-to-coast road route across England. It provides a fast, direct con-

nection by road between the important industrial areas on either side of the Pennines and the ports of Merseyside and Humberside. For Humberside—and especially for the port of Hull with its sizeable range of roll-on roll-off ferry services to Scandinavia and the Continent—the motorway could be of decisive importance. Further improvements in road communications on either side of the Humber and from there to the industrial centres of the Midlands, the North-West, the North and Scotland have still to be completed. But the completion of the M62 marks the first step towards giving Humberside the opportunity which the area has so long sought of rejoining the mainstream of industrial Britain.

and in many instances so irrationally oppose road improvements. But it was the late Victorian economist, Alfred Marshall, who pointed out the crucial economic significance of transport development. At the time he was writing, he was in a position to judge the wider impact of the development of canals in the mid-eighteenth century and of the building of railways in the second and third quarters of the nineteenth century.

We are still too close to the era of road building which has been taking place in the third quarter of the twentieth century to make a final judgment about the longer-term consequences of this latest large-scale bout of transport development. But when the era began back in the

mid-1950s, priority was deliberately given to the major national arteries of crucial importance. The Under discussion now are possible routes for a further eastward extension from the Humber bridge, which should be completed in two years' time, to Hull docks.

A groundswell of antagonism towards road and motorway building was perhaps to be expected at some stage. The canal and railway builders had both encountered a similar reaction in their day. In the early years of motorway building, too, there was a tendency to go for the best route from a cost and engineering point of view, rather than to weigh up the best overall solution from an environmental, social, and economic and engineering point of view, and this was especially noticeable when the road planners first began to embark upon improvements in heavily built-up areas.

It is possible, however, that the reaction may have swung too far. On inter-city routes, especially, new stretches of road can bring clear environmental and economic benefits. The M62, which relieves towns and villages in the Pennines elsewhere, of the intolerable burden of heavy through-traffic is a clear case in point.

Even if the railways were suddenly to become more efficient in resource use and therefore more competitive side by side with the road, the difference in the volume of freight movement by road would be

hardly noticeable. The forecasts still show a very substantial growth in the volume of both freight and other traffic, even if one assumes historically 'poor' rates of economic growth and from substantial increases in the cost of vehicle fuel. And if technical development in design and freight handling continues to be frustrated by a rigid refusal to countenance periodic changes in vehicle weights and sizes, then the number of lorries on the road could increase as fast as freight traffic rather than—as hitherto—considerably more slowly.

Certainly, total public spending will have to remain and tight restraint for some years to come. But the roads programme has taken by far the biggest share of the cutbacks in the past three years, and there is room for argument both on the priorities between transport and other forms of spending and over those within the transport sector itself. Britain has moved a good deal of the way towards equipping itself with an up-to-date roads system, but the process is still far from complete. The M62 will confer considerable benefits, environmental, economic, on Humberside, an economic, on Lancashire, and in south Yorkshire, the West, suddenly to become more efficient in resource use and therefore more competitive side by side with the road, the difference in the volume of freight movement by road would be

movement by road would be system have been provided,

M62 on the map

By Colin Jones

Spending

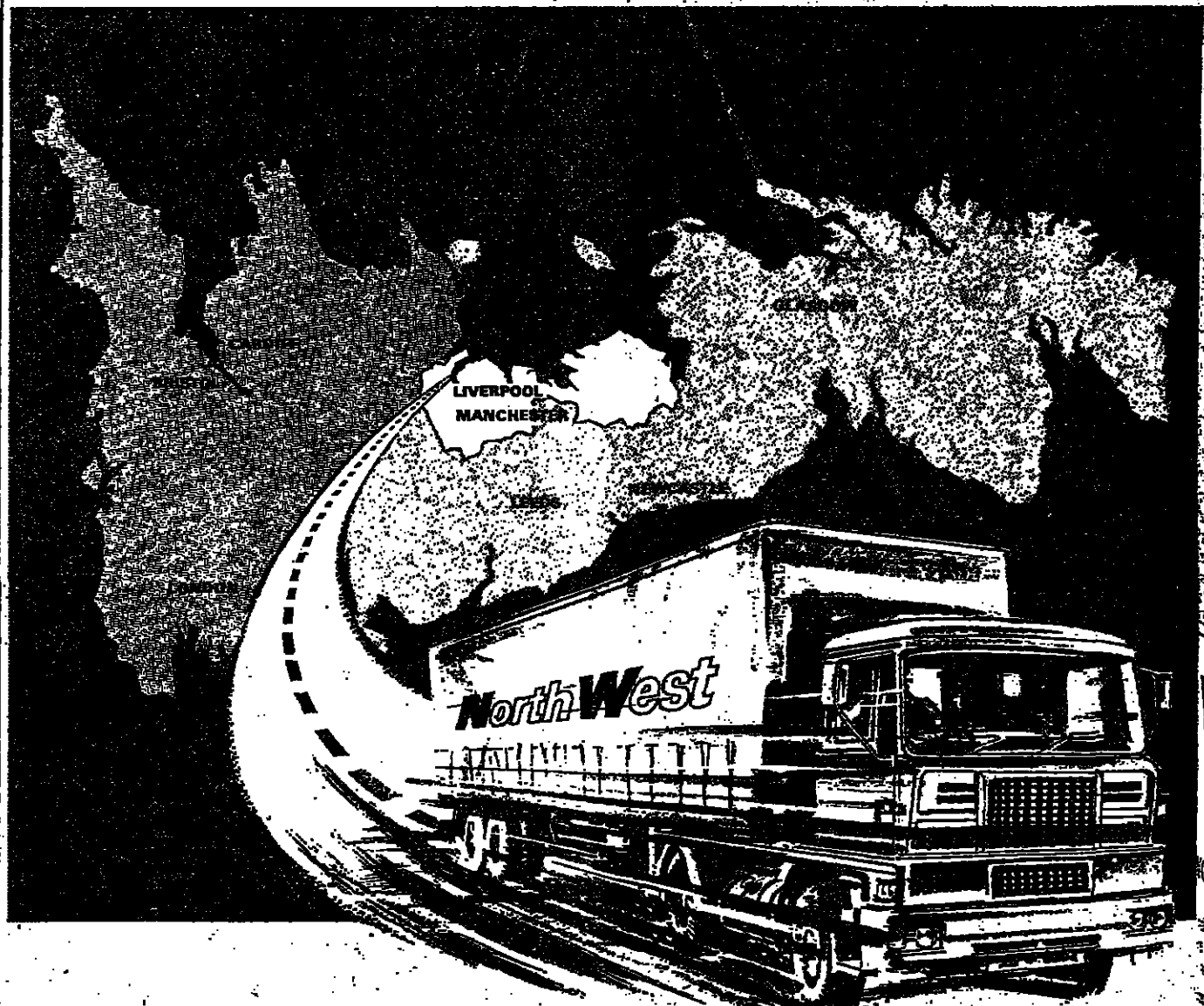
Certainly, total public spending will have to remain and tight restraint for some years to come. But the roads programme has taken by far the biggest share of the cutbacks in the past three years, and there is room for argument both on the priorities between transport and other forms of spending and over those within the transport sector itself. Britain has moved a good deal of the way towards equipping itself with an up-to-date roads system, but the process is still far from complete. The M62 will confer considerable benefits, environmental, economic, on Humberside, an economic, on Lancashire, and in south Yorkshire, the West, suddenly to become more efficient in resource use and therefore more competitive side by side with the road, the difference in the volume of freight movement by road would be

Some people think the M62 leads to Hull It also leads to Europe

The opening of the final eastern section of the M62 does more than speed up traffic coast to coast across Northern England. It accelerates the emergence of the city and port of Hull as a key communications and development centre of Western Europe. Hull's traditionally close trading connections with the Continent have laid the foundations for today's sophisticated unit load cargo network of more than 30 sailings a week to ports throughout Europe and Scandinavia. Now these regular scheduled services across the North Sea link up at Hull with direct motorway access to and from the heartland of British industry. Thus Hull becomes the focal point in a fast communications corridor that runs clear across the North of England (with other motorway links to the Midlands and South) and on to the great business centres of mainland Europe. For companies requiring a base with first-class U.K.-Europe supply lines it's easy—just follow the motorway signs to Hull.

For detailed information about land, buildings and workforce available in Hull for every kind of manufacturing, warehousing and commercial enterprise, or consultation on any aspect of development in the city, please contact:

Ian R. Holden B.Sc.(Econ.), A.M.B.I.M., Director of Industrial Development, Kingston upon Hull City Council, 77 Lowgate, Kingston upon Hull HU1 1HL. Telephone (0482) 223111 Telex 52531



Whichever way you look at it... North West England is now closer than ever to Continental Europe.

Whichever way you look at it North West England is the physical, industrial and commercial centre of the U.K., with major seaports at Liverpool and Manchester, a major international airport at Manchester and fast intercity train services to other leading industrial centres. Its transport links are the best in Britain.

Construction of the Lancashire/Yorkshire motorway has further strengthened the strategic location of North West England. And the region has a lot more to offer.

Labour is skilled and adaptable and there is no lack of existing accommodation for industry and commerce. There is a wide variety of sites available for new premises too.

This major industrial centre of Europe is the logical centre for expansion and that is why numerous British firms, and companies from all

parts of the World are already taking advantage of its excellent facilities. Why not join them? It makes sense in any language.

North West

To: Clifford F. Chapman, Director, North West Industrial Development Association, Brunson House, Brunson Street, Manchester M2 5AZ. Tel: 061-834 6778.

Please send me full details of expansion prospects in the North West.

Name	Title
Company	
Address	
Tel.	

NEW MOTORWAY LINK II

Cutting across historical tradition

PIECEMEAL manner in which the M62 has been opened up for traffic has shaped the country at large. The local, regional and national significance of the sections varying in length from 13 miles to 13 miles have been completed at intervals over the first six miles—between Whitefield and Worsley, north and north west of Manchester—came into use to the end of 1970.

to those who live or work in its potential catchment area, the M62 has always been a radical and a new departure from the old pattern of transport in this country. Since the Romans this first batch of motorways—the

M1, M6, M4, M5 and the A1—as anyone who has compared the mid-60s motorway plans with maps of the early railways and the early canals will have realised.

The M62 cuts right across this historical tradition. Through-out the centuries the Pennines have always presented something of a physical barrier and even more, perhaps, a psychological barrier. It is true that four or five separate railway lines run across the Pennines between Lancashire and Yorkshire and in recent years there has been a big improvement in the quality and frequency of both passenger and freight inter-city services between the two regions. But, while the

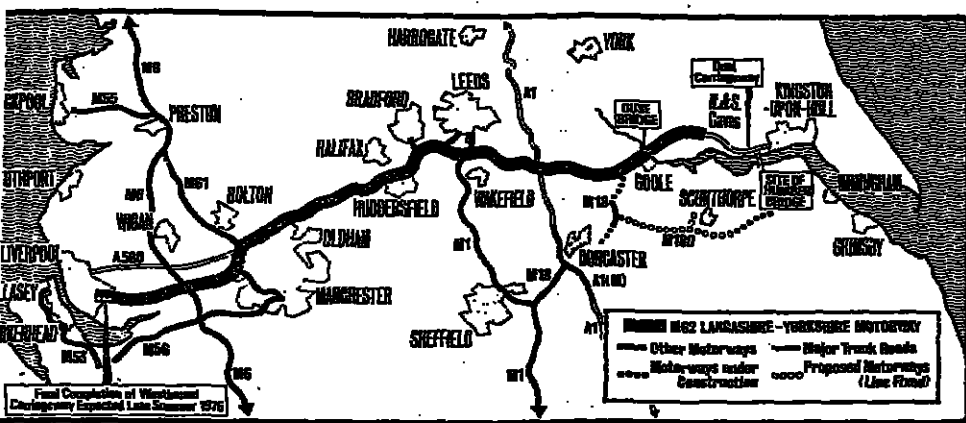
businessman may be only too glad to make use of these services for his own personal travel, the relative cheapness, speed, and managerial convenience of through door-to-door movement by road has been decisive for freight movements.

Except for local delivery, industry may have been predominantly rail-based in the 19th century when road movement was slow, costly and unreliable. But in the mid-20th century the reverse has been true and, before the advent of the M62 and other improvements, the congestion—and environmental disbenefit—on the four or five principal roads traversing the Pennines and on the routes converging on the Mersey and Humber ports, many of them only two lanes wide, was enormous.

The M62 does far more, however, than provide a new and much better trans-Pennine route. It inserts an east-west spine through the industrial heartland of middle England. A major industrial and population belt lies athwart this new 130-mile spine and in it live and work some 12-15m. people, almost a quarter of the national population. Between the Mersey and the Humber lie the cities of Liverpool, Manchester, Huddersfield, Halifax, Bradford, Leeds and Hull. Here are



Work on the final stages of the bridge over the River Ouse which forms part of the new M62.



A major building achievement

OPENING of the £9m. Bridge today will crown a decade of achievement by British civil engineering industry. It was in 1966 that construction first started on the mile long M62 highway—and its first coast to coast connecting Merseyside and industrial centres of Lancashire and Yorkshire with the Humber ports.

Today a dual carriage three-lane motorway stretches from Liverpool to within 15 miles of Hull, at North Cave, where it meets the A63 trunk road in Humberside. Only a short stretch of one-carriageway near Liverpool remains to be completed.

The challenge this major project presented to the civil engineering industry can be appreciated when it is realised that the motorway was built in main contract lengths, most of them over 10 miles long, and the total cost around £187m.

The economic importance to north of England of a fast east-west highway link, particularly over the hazardous section of the Pennine Hills, had been appreciated. But it was not until 15 years ago that a project began to take on form, when a preliminary survey was authorised for a 50 miles of the motorway between Worsley and the Calder valley in Yorkshire.

Building work began in 1966

and the first section in Lancashire, between Worsley and Whitefield, was opened in 1970. The difficult section across the Pennines followed quickly and was officially opened by the Queen in October 1971. Subsequent contract lengths were made available to traffic immediately upon completion.

The physical obstacles with which contractors had to contend were implicit in the projected route of the highway which runs from the arable plains of South Lancashire and the Humber estuary, over the Pennine Hills, and through the industrialised areas of Lancashire and Yorkshire.

There were geological problems raised, for example, by landslides which included extensive areas of peat where it was difficult to provide solid foundations. But there were also difficulties in traversing land where rapid industrialisation had left a legacy of abandoned mine shafts, risks of subsidence, and numerous canal, railway and road crossings.

Some of the more dramatic civil engineering achievements were realised in the rugged Pennines section where the road at its highest point rises to 1,220 feet. Millions of tons of earth and solid rock had to be excavated and removed to carve out a direct route. The deepest cutting drops 150 feet and the highest embankment, where the motorway runs along the top of

the Scammonden Dam, rises to 250 feet.

The Pennines can also claim Scammonden Bridge which, according to the Department of the Environment, is the largest single-span fixed-arch bridge in the country. Other spectacular examples of civil engineering skill along the route include the Rakewood Viaduct over the valley of Longdon End Brook, reckoned to be the highest bridge in Lancashire and one of the highest in England. The Kirkstall Viaduct spans not only the River Calder but also the Calder and Hebble Navigation, and a railway route.

The fact that the M62 provides a link between so many important north-south roads improves communications dramatically and offers major economic benefits. For the civil engineer it has meant more sophisticated roadworks to deal with the number of junctions and major interchanges.

According to the Department of the Environment, the M62 has more junctions than any other motorway in Britain. There are major interchanges with the M6 at Croft, near Warrington; the M61 Manchester to Preston motorway, at Worsley, near Manchester; the M1 London to Yorkshire motorway, at Loft House, near Wakefield; and the M18 Rotherham to Goole motorway at East Cowick, Humberside. The M62 also connects with the Great North Road, the A1, at Ferrybridge, and is joined by the M606 near Bradford, and the M621 near Leeds.

Skills

A project as complex as the M62 calls upon the skills not only of the contractors but also of a host of other specialists and professionals. Apart from the economic benefits of the highway link, the environmental gains to the towns and villages no longer subject to heavy commercial traffic was also appreciated. Throughout its length the M62 has been designed to suit the landscape and environment.

Consulting engineers responsible to the Department of the Environment for design and supervision of the building of the Ouse Bridge and of the adjacent lengths of road were Scott Wilson Kirkpatrick and Partners.

The route of this section of the M62, between Rawcliffe and Balkeholme, resulted from the original study undertaken by the consultants in 1964 into road links between the A1 and Hull.

The spectacular Ouse Bridge, which cost around £9m. to build, is more than three-quarters of a mile long and has a concrete deck. The 29 spans, made of steel plate girder, include three of 90 metres, or 295 feet, long. Clearance for shipping of nearly 23 metres (75 feet) is provided.

The contract for three miles of motorway to the west of the bridge, which included three bridges and an interchange on the A614 west of Goole, was undertaken by Sir Alfred McAlpine and Sons and opened to traffic last September.

The contract to the east was for a five mile stretch of motorway with three road bridges and an interchange south of Howden which is linked with

the A614 by a dual carriageway spur road. The project was completed by Clugston Construction earlier this year.

These two contracts, plus the Ouse Bridge, will relieve pressure considerably on the A614 between Rawcliffe and Howden and the A63 between Howden and Balkeholme. Commercial traffic heading to and from industrial Hull had put pressure on capacity and considerable congestion often resulted from the opening of the Boothferry swing bridge to allow shipping to pass along the Ouse.

The consortium which won the contract to build the Ouse Bridge was formed by Redpath Dorman Long (Contracting) and Costain Civil Engineering. At the time the contract went out to tender in 1972 steel box girder designed bridges were being amended to comply with new requirements. This, plus the fact that steelwork fabricators were quoting greatly increased rates per ton, made such construction uneconomic at the time. The successful tender proposed a superstructure of plate girders acting with a concrete deck slab supported by large reinforced concrete piers.

Redpath Dorman Long, as leaders of the consortium, designed and built the steel deck of the bridge, making use of more than 7,000 tonnes of steel, fabricated by its manufacturing division at Teesside and Scunthorpe. RDL erected the superstructure and built the reinforced concrete deck slab. Costain carried out the sub-structure work, installed the reinforced concrete piers of the bridge and constructed 0.6 kilometres of roadways on each side of the river.

A problem in the design of the bridge was posed by the fact that the river banks were man-made and fronted by agricultural land reclaimed from the surrounding marshes. This meant that much of the access area to the bridge was flat, liable to become waterlogged in winter, and was below the high tide level of the river.

The possibility of an immersed tube tunnel as an alternative to the bridge was considered in the early design stages but the project was thought to be more expensive. Instead the consortium has built earth embankment viaducts, each about a quarter of a mile long, to give access to the bridge. With a gradient of 1 in 33, the steepest allowed on motorways, the viaducts rise to 13 metres (43 feet) above ground level at the bridge abutments.

The contract for the bridge, originally scheduled to take 30 months, was extended by just over nine months. The Department of the Environment said that the fuel crisis and the three-day week caused problems for the contractors in the early stages, while late delivery of steel and adverse weather conditions imposed further delays.

The Department has already declared the bridge "a very successful contract." Indeed it marks the culmination of ten years' work by Britain's civil engineering industry which should provide new opportunities for economic development in the north of England.

Arthur Smith

to be found four of the six new English metropolitan counties—Merseyside, Greater Manchester, South Yorkshire and West Yorkshire. Together, they form one continuous belt from west to east and at the eastern end of the M62 lies the new urbanised and industrialised "shire" county of Humberside.

If we really want to devolve political power and governmental decision-taking from Westminster and Whitehall, this is one economically powerful stretch of the country where it could happen. Already, the outposts of the economic departments of State are, through the medium of the respective regional Economic Planning Councils—starting to co-operate together. So are the regional Industrial Development Associations. The North West and the Yorkshire and Humberside Development Associations, joined together, for example, to mount a "central Britain development authorities" campaign at the Houston offshore oil exhibition earlier this year.

Overseas businessmen have not been slow to see the point. Nor, for that matter, have many U.K. companies. The Swedish company, Frigoscandia, for example, chose South Kirby near Wakefield for their huge frozen food distribution complex, while J. Lyons selected Barnsley for

boon of the last quarter of a

century. On the western bank of the Pennines almost 200 miles of regional and urban motorways have now been built or programmed while on the eastern flank the total is approaching 70 miles—and these figures exclude the M1, M6, M62 and A1. But the process of updating the road system of this stretch of England still has a good way to go, especially on the eastern flank and across the Pennine range.

In Humberside itself, the full potential of the M62 will not be realised until the new Humber bridge, together with its associated approach roads, has been built and the M18, which links the M1 with the M62 across the A1 at Doncaster, and the M180, which will provide an east-west route on the south bank of the Humber past Scunthorpe towards Grimsby, have been completed. Much the same applies on the western flank of the Pennines, where at least a dozen regional motorways and, eventually, an alternative M6 through south Lancashire are needed.

Even more important, perhaps, regionally as well as nationally, will be further links across the Pennines and from the Humber towards Scotland and the Midlands. A reasonably early start might possibly be made on the Calder valley route from Preston to Bury

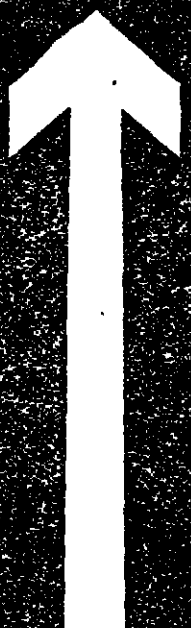
but the Aire valley route on the other side of the Pennines to the north of the West Riding conurbation which could eventually be linked up to it has encountered the more militant form of anti-motorway attitudes. A similar fate could await the sorely needed improvement of the Sheffield-Manchester road across the Peak National Park—notwithstanding substantial environmental gain which the park and the towns and villages lying along this could expect from a new motorway route. Further south, and nearly as low in the present pecking order of road programme priorities, lies the M64 Stoke-Derby route, while to the north lies the even more sorely needed northern extension of the M1 past Leeds and Bradford towards Harrogate and the A1. Finally, there is the M42 from the M1 near Derby and Nottingham south to the west Midlands and onwards to South Wales and the South West.

All these routes form an essential part of the development of which the M62 represents a start. For Humberside in particular the full potential of the road-building era will not be realised until they have been completed. But on present prospects it could be another 10 to 15 years, or even later, before they have been completed.

Colin Jones

Humberside Scandinavia Europe

M62



Tradesman's Entrance

No longer just a rather inaccessible backdoor, Humberside is now a fully-fledged and integral part of Britain's goods network. For a long time our excellent sea routes have been hampered by inadequate road links to the rest of Britain. The completion of the M62 Ouse Bridge and the county's connection to the rest of the motorway network will change all that over-night. Not only is there now a fast-direct goods route between Hull and Liverpool, two of the largest ports in Northern England, but also the ever-increasing stream of continental visitors arriving at Hull docks will have a wide-open door to the whole of the country.

And this is just a start – within a few years there will be more motorways through South Humberside as well as the world's largest single span suspension bridge linking the two parts of the county.

Humberside is fully aware of the important role it has to play in Britain's industrial

future. There are 5,000 acres of land allocated for future development, there is plenty of inexpensive housing for the anticipated influx of workers and the county abounds in unspoiled countryside, historic interest and leisure facilities.

For more information on the county, cut out the coupon and send to: Steve Andrews, County Information Officer, Humberside County Council, Kingston House, South, Bond Street, Hull, HU1 3EU.

Humberside County Council

Please send more information on Humberside to
NAME.....
ADDRESS.....

It's amazing what one bridge can do for a county

Wakefield

Where people
work as hard as they play

Industrialists! At the heart of Rugby League country there's a community with all the attributes to make your business grow.

Superb new motorway links with the Merseyside-Hull M62 crossing the M1. Air and Inter-City rail facilities, roomy, level sites. A Local Authority that's never heard of red tape when it comes to helping you find and build the factory you want.

But most of all a workforce of 136,000 with a record to be proud of. Industrial stoppages way below the national average. People who work as hard as they play.

Come and have a look at both. Complete the coupon and we'll send you further information on industrial opportunities in Wakefield and how we're prepared to say on a trip to look at a few sites and possibly take in a visit to a Rugby League match.

To: Peter Spawforth, Planning Department, PO Box 56, Wakefield.

Please send me your new guide to industrial sites in the Wakefield area.

Name.....
Company.....

Position within company.....

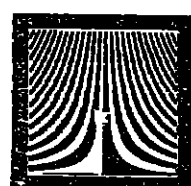
Address.....

Tel. No.

RAYMOND PILING

Fast, secure and efficient piling with Raymond Step-Taper, CS or other piles. World-wide experience and service. Call 01-579 9381.

Raymond International (UK) Limited, 83-85 Unwin Rd., Ealing, London W5 5TA



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Eliminating the spaghetti

APART from the car, the most complex piece of equipment in the home must be the washing machine, especially the automatic—anyone who has tried to do urgent repairs will know.

There is a bewildering array of harnesses of every colour and size and no apparent logic in the way the various pieces of control equipment are arranged.

Inventiveness in a comparatively small British group of companies, one of which builds the Servis washing machine line, has made the need for electrical "spaghetti" obsolete by designing a compact electronic controller which combines on one board all the functions of the multiple controls round in standard units—timing, heating, program selection and precise governing of motor speeds.

The outcome is a true advance in total equipment design, a home unit as silent and smooth-running as a Corniche: the "Selectronic".

But this was not the only aim of the four-year R&D development programme—far from it.

Servis and its associate Integra Circuit Controls, are playing the home must be the washing for very high stakes indeed. No less than a dominant position in the European market for washing machine controllers which is probably worth in excess of £200m a year.

This is not just wishful thinking. There is a very distinct possibility that the company will bring off a coup, judging by the amount of interest shown by the leaders in the European automotive market.

This interest is due to the fact that complex electronics are not easy to apply to equipment subjected to extremes of heat, moisture and chemical attack. To do this successfully, the electronic engineer has got to get down to it with the designers and thrash out each step with the plumbing and electrical experts, evolving what is in effect a new approach to the control problem.

This is why the final development control board designed by ICC contained around 30 integrated circuits which then had to be condensed, together with

a number of other devices into a single large-scale integrated circuit (LSI). This is now a proprietary design and it is made through the custom-build services of IIT as a device with some 5,000 functions in a few square millimetres of silicon.

Wide patent cover has been taken over the development by Servis and it will be interesting to observe how the U.S. markets react to the innovation, bearing in mind their very different approach to washing-machine design.

Because of the speed, power and versatility of the electronic read-only memory (ROM) approach, the control unit can do a great deal more than supervise a series of wash programmes and the company is suggesting that it could be used as the "black box" to run all domestic equipment in a home—the heating/ventilating, hot water, cooking and other facilities.

Although this may sound far-fetched, there is a very large grain of common sense in the

thinking because the cost of maintenance of electro-mechanical devices is becoming prohibitive, while the electronic controller is inherently reliable.

What this can mean to any manufacturer is best illustrated by the experience of Servis itself, which has some 800 maintenance staff permanently on the road. If the electronic controller saves one call per man/week over a year the cost saving to the company already will be £150,000. It should do far more than that. In the meantime the company is looking to take its installation service right through to the successful completion of the first wash.

From the more general viewpoint of manufacturing in the U.K., the development is of primary importance since, with the passage of time, so many of the individual components of conventional washing machine control units are now made outside Britain. This development brings the whole unit back here.

For the home user, the machine could hardly be easier to operate with its seven pro-



The LSI forming the brain of the controller is just above the holder's thumb, with light current input-output lines to the side and the heavy current lines above.

grammes selected by button, corresponding to Home Laundry, Correspondence Council classification of fabrics and laundering treatments.

Apart from these programmes there are pre-wash options, an interrogator routine so that an absent-minded person can find out exactly where the programme has got to, and so on.

The Selectronic is also some three inches shorter than other machines.

To some extent the company will be helped in the selling campaign because of the fact that both the Italians and the Germans appear to have got themselves into something of a blind alley insofar as motor development is concerned. This is particularly important at a time when more people are using driers, which implies a demand for maximum water extraction and thus high spin speeds.

Meanwhile, Exchange Telegraph has pulled off what could be regarded as something of a coup since it has secured the representation in the U.K. of Digital Equipment Corporation, for the latter's excellent 30 cps printer generally known as the DECwriter II. Digital will retain the right to provide the big OEM contract equipment. But Extel will sell the machines to what is understood to be an avid market.

In Extel's eyes, this 30 cps terminal printer is the best on the market in its class. Able to use six-part forms in widths from 3 to 15½ inches, it has a 132-character line length. Extel is committed to offering its data cassette which will convert the DEC unit to automatic send-receive from keyboard send-receive. It will also be showing the total range of equipment it can provide at a U.S. Trade Centre exhibition of minicomputers and peripherals next month.

Among the devices to be on view are a new floppy disc micro-computer system and a high-speed thermal printer. The latter is based on NCR technology and gives up to 120 characters per second print speed, or some four times the output of the majority of thermal units.

Extel, from EXTEL at 73, Scrutton Street, London EC2A 4PB. (01-739 2041.)

PERIPHERALS

Equipment tailored for Europe

PERIPHERALS are in heavy demand and form one of the fastest growing sectors of the computer market in Britain as elsewhere.

In the past few days two groups have announced further involvement in peripherals of various types to meet demand from customers, offering a vast repertoire of designs that not all manufacturers would be prepared to provide.

Sintrom Electronics, for instance, has decided to make a push into the European market both on the end-user and the OEM fronts. Most of the equipment to be presented is based on the company's magnetic cartridge system designed and made by Perex, which is a company in the Sintrom group.

Floppy disc cartridge drives, intelligent peripherals, labelling systems, printers and plotters come within the ambit of the company.

But this is only a beginning since the company has made its own internal market survey of the best way to produce for Britain and Europe—either by having equipment made to order in the U.S. or building in Britain.

Sintrom is at 2, Arkwright Road, Reading, Berks, on 0734 88464.

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Extel, from EXTEL at 73, Scrutton Street, London EC2A 4PB. (01-739 2041.)

DIRECT GAS-FIRED SPACE HEATING
Send for details
Ripon Road, Harrogate, Yorks.
Tel: 61511 Telex: 57859

METALWORKING

High speed hydraulics

AVAILABLE EARLY next year will be a small workshop press incorporating a hydraulic ram which provides a rapid traverse to reach the workpiece.

Developed by Bradbury Controls, PO Box 4, Ross on Wye, HR9 6EB (Symonds Yat 599), the ram has a stroke of 2½ in. and is capable of a 5 ton workload. Manually operated, the lever ratio is 210:1. Use of the Speedram, as it is called, enables the operator to engage the tool and the workpiece at the first pull of the handle. The company says without this device up to 20 strokes may be required.

Fast action (50 times faster than a conventional ram) is achieved by using a pair of co-axial rams. The small diameter inner ram drives the main piston until the tool strikes the workpiece, when the oil pressure is transferred to the larger area.

Prototype machines using the Speedram will be shown at the "Workshop 76" exhibition, Belle Vue, Manchester, May 24 to 28.

SECURITY

Windows to defeat vandals

FOR USE in middle risk situations, Secondary Windows, P.O. Box 215, 15, Greycoat Place, London, S.W.1 (01-222 7245), has designed a security window.

Applications suggested are in high density housing areas, industrial estates, petrol stations, ticket windows, and anywhere where a person wishes to see and talk to a visitor without the visitor gaining admission.

In soft or hardwood frames, the windows are double glazed. The inner pane is of 11 or 6 mm thick clear glass, the outer of 3 or 5 mm laminated glass. The window is 1200 mm wide by 1100 mm high. A limited movement sliding sash allows ventilation, conversation with caller, and passage of small goods. Prices range from £140 to £180.

COMPUTING

Taped data guide to prospects

MARKET researchers will find a great deal of information in a new addition to analyses of the U.K. computer marketplace. The U.K. Computer Market Potential File is a list of organisations large enough to become users of small business computers, terminals, or service bureaux.

Every organisation on the file has a record containing basic information such as company name, complete address including town, county and postal code, telephone number, and Standard Industrial Classification. Each record also contains more specialised information: chief executive's name, parent organisation, turnover, and number of employees. Any active computer usage is also indicated, whether

it be bureau use, terminal use, or an in-house installation. This information permits users to specify their own search criteria and produce tailor-made prospect lists for any particular product or service.

The file is supplied, and subsequently updated, on magnetic tape in ten instalments a year. Further information from Pedder Associates, 51, Portland Road, Kingston-upon-Thames, Surrey KT1 2SH. 01-546 9577.

CATERING

Vends and toasts

A REFRIGERATED food merchandiser with a sandwich toast facility is being marketed by Vendops.

Manufactured in stove enamelled steel, the cabinet, which is 1,800 mm high, 960 mm wide, 580 mm deep and weighs 200 kg, has eight or ten vending

drums of 500 mm diameter or 630 mm diameter, and each drum is divided into compartments to give a predetermined number of vend stations of 8, 12, 16, 18, 24 or 32 compartments with one compartment empty at all times. Each drum can be individually priced from 1p to 99p, and it is suitable for one, two, five and 10p coins.

The lower part of the cabinet houses the refrigeration unit which automatically defrosts itself for two periods in any 24 hours, and has a variable temperature setting between -10 degrees C and +10 degrees C.

Two toaster units, each of 400 Watts, can be fitted as optional extras, and can function singly or simultaneously. Each has an adjustable timer, and can be set to vary from zero to six minutes. The toasters operate only when a sandwich has been vended from the machine. In addition to sandwiches, the unit can hold a range of snack meals for microwave reheating.

A "Self Service" illuminating sign, fluorescent display light, sold out lights and coin reject facility are standard.

Vendops, a Blackwood Hodge company, is based at Tilson Road, Wythenshawe, Manchester, M23 9WG (061-998 8061).

POLLUTION

Source of pure water

DRINKABLE water can be made from brackish sources in quantities suitable for the household using an Ace Micro unit introduced by Aqua Conversion Engineers, Bourne End, Bucks (06285 23715).

Models are available for outputs of 200, 400 or 600 gallons per day and operation is completely automatic. With suitable pre-treatment the plant is ideal for the supply of small amounts of purified water in laboratories and for industrial processes. Including the make-up of pressurised heating systems.

Design is based on the smallest of the Dow hollow fibre reverse osmosis modules. The cellulose triacetate fibres used are 250 microns in diameter and resistant to small quantities of free chlorine, so that fouling of the membranes has been largely eliminated. Dimensions are 690 x 300 x 500 mm and the weight varies from 25 to 35 kg according to model.

TRANSPORT

Heating unit clips on big vans

A CLIP-ON oil-fired heater unit for warming van interiors has been designed by body engineers Lawrence David, Crowland, Peterborough PE6 0BA (0737 711).

The first batch has been fitted to a fleet of 40ft insulated semi-trailers used by Gesti Industries to carry bananas at a controlled temperature (55 to 55 no risk of contamination).

CONTRACTS AND TENDERS

Democratic and Popular Republic of Algeria

MINISTRY FOR INDUSTRY AND ENERGY

SOCIETE NATIONALE DES SEMOULIERES, MEUNERIES
FABRIQUES DE PATES ALIMENTAIRES ET COUSCOUS



S.N. S.E.M.P.A.C.

6 boulevard Zirout Youcef—

Algiers

INTERNATIONAL INVITATION TO TENDER

CONSTRUCTION OF GRAIN SILOS

A tender has been launched by S.N. SEMPAC for the setting up of a network of Grain Silos having an overall capacity of thirty million (30,000,000) quintals, divided over 41 sites. The storage capacity of each silo would vary between 50,000 and 140,000 tonnes.

The tender comprises the following lots:

- Lot No. 1: Civil engineering, all basic elements.
- Lot No. 2: Mechanical equipment and installation.
- Lot No. 3: Electrical equipment and installation.

Companies interested in the above may obtain the necessary documents from: S.N. SEMPAC, Direction de Développement, 6 boulevard Zirout Youcef, Algiers (Algeria), for the sum of Dinars 2,000.

Tenders, together with usual relevant information and references, should be sent in double sealed envelopes marked: Tender—Grain Silos—Not to be opened (Appel d'offres—Silos de Stockage—Soumission à ne pas ouvrir).

Tenders should be sent by Monday, September 6, 1976 at the latest.

UNITED ARAB EMIRATES MINISTRY OF ELECTRICITY AND WATER

PO BOX 1672, DUBAI

The invitation to tender for desalination plant, tender No. N4251, published on 17.18.19 May described the tender fee as "now refundable". This should have read "not refundable".

The Ministry of Electricity and Water for The United Arab Emirates invite Tenders for the following works—

Tender No. N4267 Specification No. 33.4/1057

132kV Double Circuit Steel Tower Transmission Lines (approx 180 km route length), incorporating aluminium alloy phase conductors of 200mm² cross-section and an overrunning aluminium alloy earth wire. The lines are to be located throughout the Northern Emirates of Umm-Al-Quwain, Ajman, Sharjah, Fujairah and Ras Al Khaimah. Applications for Tender Documents should be made during normal office hours at the Ministry's offices in Abu Dhabi or Dubai in the U.A.E. or at the U.A.E. Embassy in London. Only Firms who have had experience in engineering similar projects should apply.

Each tender fee is Dirhams 2,500 if collected in the U.A.E. or £300 Sterling if collected in London payable in cash only and is not refundable. Tender Documents will be available from 31 May 1976 until 15 August 1976. Tenders must be valid for 100 days.

Tenders must be accompanied by a Bid Bond in the form of an unconditional Bank Guarantee of Dh 3,000,000 (3 million) valid for 120 days. The successful Tenderer will be required to replace this with a Performance Bond equal to 10 per cent of the Total Contract Sum for the period of the Contract. The tender Documents must be complete and submitted in quadruplicate. Each copy shall be enclosed in a plain envelope not bearing any identification of the Tenderer and marked only on the outside with the Tender Number and Title "132kV Transmission Lines".

Four copies shall be addressed to: His Excellency The Chairman The Permanent Committee for Projects Ministry of Planning PO Box 2847 ABU DHABI U.A.E.

Tenders must be received not later than 1700 hours on 29 August 1976. This advertisement is a complementary part of the Tender Document. The lines are to be completed by 30 November 1976.

Abdulla Bin Humaid Al Qassimi Minister

SUDAN RAILWAYS STORES DEPARTMENT

CONTRACT NO. 4953

SUPPLY OF 8 TRACTORS HEAVY DUTY AND

30 TRAILERS HEAVY DUTY 15 TONS

CONTRACT NO. 4954

SUPPLY OF 6 (SIX) MOBILE CRANES 10 TONS

CONTRACT NO. 4955

SUPPLY OF FIVE FORKLIFT TRUCKS HEAVY DUTY AND 21 FORK LIFT TRUCKS GENERAL DUTY

NOTICE

- Controller of Stores, Sudan Railways Adhara invites tenders for the supply of the above.
- Tenders are requested to quote for each contract separately and any offer should be put in a separate envelope.
- Details and specifications can be obtained from the office of Controller of Stores, P.O. Box 65, Adhara, or from the office of Stores Representative at Catering Stores Khartoum on submitting a written application bearing 50 n.f.s. stamp duty and payment of Ls.3,000 n.f.s. for one copy of details and specification for contract 4953, Ls.3,000 n.f.s. for contract 4954 and Ls.4,000 n.f.s. for contract 4955.
- The closing date for acceptance of tenders in this office is Thursday 28 July, 1976 at 12.00 hours noon.

OFFICE OF CONTROLLER OF STORES

N.B. Specifications and details can be bought at £4.50, £4.50 and £6.00 respectively from Sudan Government Purchasing Agency, 3-5 Cleveland Row, St. James's, London S.W.1.

THE GOVERNMENT OF PAPUA NEW GUINEA

DEPARTMENT OF TRANSPORT, WORKS AND SUPPLY HIGHLANDS HIGHWAY ROAD PROJECT PREQUALIFICATION OF CONTRACTORS

The Government of Papua New Guinea has the intention of proceeding with the construction of major Road and Bridge Works on the Highlands Highway between Asaro and Mifu. Financial assistance with this Project will be provided by the International Bank of Reconstruction and Development.

The work consists of upgrading 68 kilometres of existing gravel surface road and providing a bituminous seal. Over this length, 27 kilometres are to be constructed on a new alignment, 18 kilometres are to be widened with minor alignment and 23 kilometres require surface dressing and bituminous seal. Expected approximate quantities are in order of:

- | | |
|--------------------------------|--------------------------|
| (i) Earthworks | 1.5 million cubic metres |
| (ii) Drainage culverts | 2880 metres |
| (iii) Pavement surface course | 134,000 cubic metres |
| (iv) Pavement surface dressing | 545,000 square metres |
| (v) Bridges: 7.5m. wide | 68 metres |

It is anticipated that invitations to tender will be issued during July 1976, for construction to commence about January 1977. Invitations to tender for various contract packages will be sent only to those Contractors who have been prequalified and whose interest has been registered with the Government of Papua New Guinea.

Contractors from member countries of the International Bank for Reconstruction and Development and Switzerland, who have proven experience and capability in this field, may apply for prequalification.

Prospective tenderers must be able to show extensive experience in projects involving major highway construction and to show a history of successful contracts.

Prospective tenderers should consider the possibility of associating themselves with a local Contractor for the purpose of bidding for the project contracts.

Information and forms of application may be obtained from:

The Secretary,
Department of Transport, Works and Supply
Post Office Box 1108
BOKORO,

PAPUA NEW GUINEA

and marked "ATTENTION": Principal Engineer, Roads and Bridges.

The closing date for application is 30th June 1976.

The Government of Papua New Guinea will notify Contractors who have successfully prequalified to tender for the work and will supply them with tender documents and information regarding the preparation of bids without further notice. Reason for rejection of applicants for prequalification will not be given.

SYRIAN STORING & DISTRIBUTING CO. PETROLEUM PRODUCTS "SADCO"

Date: 19/5/1976

Offers of Top urgency No. 23
The Syrian Storing & Distributing Co. "SADCO" announces call for offers for the supply of 20,000 tonnes of Petroleum Products for the period 1/8/76 to 31/7/76. The products are: Diesel Oil, Kerosene, Gas Oil, Lubricating Oil, Fuel Oil, etc. The offers must be submitted in triplicate, in Arabic and English, to the General Manager, SADCO, P.O. Box 40, Damascus, Syria, by 11/8/1976, 14.00 hours.

1. Delivery of Offers: Offers must be submitted in triplicate, in Arabic and English, to the General Manager, SADCO, P.O. Box 40, Damascus, Syria, by 11/8/1976, 14.00 hours.
2. Opening of Offers: Offers will be opened on 12/8/1976, 10.00 hours.
3. Evaluation: Offers will be evaluated on the basis of the lowest price, provided that the offer is technically acceptable.
4. Award: The contract will be awarded to the successful bidder.
5. Performance: The successful bidder must complete the contract within the specified time.
6. Payment: Payment will be made by SADCO to the successful bidder.
7. Disputes: Any dispute arising from the contract shall be referred to the Arbitration Tribunal in Damascus.
8. General: The offer must be accompanied by a bank guarantee of 5% of the contract value.
9. Validity: The offer must remain valid for 60 days.
10. Any offer not abiding by any of the above conditions will be disregarded.

GENERAL MANAGER
MOHAMED NADIM BADLEN

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GENERAL MANAGER
MOHAMED NADIM BADLEN

Republic of the Philippines NATIONAL POWER CORPORATION

Manila

INVITATION FOR BIDS

SEALED BIDS FOR THE SUPPLY OF DIESEL GENERATORS, TRANSFORMERS, AND ELECTRICAL EQUIPMENT FOR THE LIZON ELECTRIFICATION PROJECT. The bids must be submitted in triplicate, in English, to the General Manager, National Power Corporation, P.O. Box 1108, Manila, Philippines, by 11/8/1976, 14.00 hours.

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5. Performance: The successful bidder must complete the contract within the specified time.
6. Payment: Payment will be made by the National Power Corporation to the successful bidder.
7. Disputes: Any dispute arising from the contract shall be referred to the Arbitration Tribunal in Manila.
8. General: The bid must be accompanied by a bank guarantee of 5% of the contract value.
9. Validity: The bid must remain valid for 60 days.
10. Any bid not abiding by any of the above conditions will be disregarded.

For the information and guidance of bidders, the National Power Corporation will hold a pre-bid conference on 11/8/1976, 10.00 hours, at the National Power Corporation, P.O. Box 1108, Manila, Philippines. The agenda of the conference will be as follows: (1) Explanation of the bid forms and specifications; (2) Clarification of doubts; (3) Questions and answers; (4) Other matters of interest to the bidders.

C. D. DEL ROSARIO, General Manager.

1520 مائة

Building and Civil Engineering

g design sk for Balfour for Tarmac

Balfour and Sons, have been commissioned by the Government to design and supervise the construction of the £55m. sewerage treatment system for the town of Al Ain in Abu Dhabi, United Arab Emirates.

This project is being carried out concurrently with a £35m. water distribution scheme for Al Ain, the first phase of which is now being designed by the firm.

£1m. worth for Tarmac

Topping a list of contracts totalling over £1m. awarded to Tarmac is one worth £545,000 for two single-storey warehouses at Perivale Industrial Estate in West London for the Post Office Staff Superannuation Fund. The work, scheduled for completion by next January, involves 5,250 square metres of floor area, with adjacent offices and car parking facilities.

Two roadworks schemes have also been awarded, worth between them nearly £370,000. Tarmac is to construct a roundabout for Basildon Development Corporation on the A178 at Basildon, while the London Borough of Camden has ordered highway improvement works between Royal College Street junction and Highgate Road junction.

In two other London boroughs, Tarmac has obtained contracts totalling nearly £180,000. Hackney has ordered paving work on a housing improvement scheme at Southwold, and at Newham, reinforced concrete foundations are to be built at Liverpool Road for a future development.

£2m. Drake and Scull order

THE SOUTHERN REGION of Drake and Scull Engineering has received an order worth about £2m. for the supply and installation of environmental, plumbing and electrical services in the new IBM Laboratories at Hursley Park, near Winchester, which are scheduled for completion in late 1977.

Drake and Scull is also to be responsible for the erection of the integrated ceilings, the voids providing accommodation for the air-conditioning ductwork, pipe-work, sprinkler systems and electrical services. Main contractor is Trollope and Colls.

Busy time ahead

JOHN LELLIOTT has won seven contracts with a total value of almost £12m.

For the S.O. Pension Fund, Lelliott has been commissioned to carry out alterations and refurbishments and build two additional floors at 54, St. James's Street, London, S.W.1, at a cost of £320,000. Architects are Grabowski and Partners.

Alterations and refurbishments on two floors at Regis House, Kings William Street, London, for Greig Foster, insurance brokers (architects: Daniel Watney, Eliot, Imman and Nunn) will cost about £220,000 while a contract for Land Securities for alterations at Pileatilly Mansions, Shaftesbury Avenue, London, is worth £100,000 (architects: Wetherall, Green and Smith).

Boots has awarded Lelliott a contract for a store at 150, Oxford Street, London, worth £230,000 (architects: Michael Auckett and Partners) and the company is to carry out £220,000 worth of refurbishments at 88, Kingsway, London, for IPC Properties.

Austin-Hall contracts

CONTRACTS WORTH over £1m. have been awarded by two London Boroughs to Austin-Hall Building Systems (Paddock Wood), a member of the Pentos Group.

One, valued at £800,000 for the London Borough of Brent, is for Phase 2 of the Neasden High School complex and covers the building of a self-contained sixth-form unit in two storeys.

Another contract worth about £250,000 has been placed by the London Borough of Hammersmith. It is for a complex at Greyhound Road consisting of day nursery, two-person flats and three-storey houses. Completion is scheduled for 1977.

New Tesco stores

A SUPERMARKET with a floor area of 9,530 square metres is to be built by the Bovis company Gilbert Ash Scotland at Kilmarnock, Ayrshire, for Tesco Stores.

The £600,000 store will have a ground floor sales area of over 2,000 square metres. Gilbert Ash expects to complete the contract in 50 weeks. Architects are William Nimmo and Partners.

A supermarket for Tesco has just been completed by Wiltshire Construction at Burnt Oak, Edgware, London. It will be opened to-morrow.

Homes in Hull

George Wimpey has won a contract valued at £280,000 for the construction of 138 dwellings at Pennine Way, Bransholme North, Hull, for the City of Kingston-upon-Hull.

Homes for nearly 500 people will be provided in flats, bungalows and two-storey houses in a variety of designs covering two to four-bedroom types. Additionally, there will be five one-bedroom, one person link flats in traditional construction.

Site work is now starting and the contract is due for completion in June, 1977.

Wimpey has also won a £208,000 "design and build contract" for an old persons' complex adjacent to the existing Wimpey Humpshill Vale Estate, Nuthall, Nottingham.

Factory and house repair work

TWO orders totalling over £12m. have gone to Holland, Hannen and Cubitts (Northern) for a new factory at Gateshead and house improvements in Bury.

Reduces the noise of neighbours

IN MULTI-STOREY construction sound transmission through the floors to the rooms below can cause a problem. It is claimed this is overcome with an American insulating material known as Dex-O-Tex Acoustic-Fill, marketed in the U.K. by Kitzbridge Industrial Flopping, Queen's Park Road, Harold Wood, Romford RM3 0HS (Ingrebourne 40091).

This material is a latex composition underlaid, incorporating sound absorptive, vibration damping lightweight aggregates, stated to reduce impact noise radiation and improve sound transmission loss.

It can be trowel applied in thicknesses varying from 1 to 1 inch, depending on the acoustic properties required. It will adhere to concrete, metal or wood, and can be used under carpet, plastic or ceramic tile, sheet vinyl, etc.

Instant buildings cut costs

PREFABRICATED BUILDINGS and building components are becoming increasingly important as a cost-saving method. Three companies announced developments in this field last week.

Wysepant, Chawston, Bedford, MK44 3BH (0490 76377), a Bovis company, has introduced factory finished, heavy duty, Multilink accommodation units which provide relocatable or extendable, open or individual plan offices, canteen, kitchen or amenity facilities, constructed to comply with U.K. building regulations.

Available in 7, 8 or 10 metre modules, the units are delivered with interior decoration, plumbing and electrical wiring completed. Beyond a level compacted area, no foundations are necessary—jacks are fitted to allow adjustment on sites where complete levelling is not possible. Open plan areas up to 180 square metres can be supplied.

Stoners Timber Buildings, Flenning Way, Crawley, Sussex, RH10 2LH (0293 23091) has extended its System 4 of prefabricated buildings to include club houses.

The system can provide single and two-storey structures, complete with club and dining rooms, bar, offices, lockers and toilets. As it is a modular system it can be expanded to suit a club's growth and funds. The company claims its buildings can save a club up to 50 per cent. of the usual club house building costs. Prices start from £1,000, and on a prepared site building can be completed in a day.

Stoners will carry out all the level of 68 dB (A) as specified in the "Noise Insulation Regulations 1975." If a noise barrier were not used then some 273 Shepherd Building Service, Mill Mount House, York, YO2 2BR claims to have developed a method of fabricating squash courts capable of non-stop usage, on a 13 hour day, seven-day week, 50 week year basis.

Main design problem overcome is the development of an aesthetically acceptable walling system with good thermal insulation combined with a surface finish to playing areas which will not break down under repeated ball impact. A four-court building with all facilities is stated to take 13 weeks to complete, with "plug in" modular changing accommodation, showers and toilets.

Power on the site

TO MEET a need for large mobile diesel-generator sets, ASEA, Vasteras, has added a new set with an output of 680 kVA at the top end of its range.

Mobile sets of this type are primarily used on temporary working sites, where it is not worthwhile, or it is impossible to connect up the site to the local distribution network. They are useful for feeding a distribution network when the normal supply has to be disconnected owing to work on the equipment and can also be used for peak-load duty.

The 680 kVA set has a Deutz water-cooled 1500 r.p.m. diesel engine, which is suitably flanged to an ASEA brushless exciter. The entire set including fuel, lubricating oil and cooling water weighs 18 tonnes.

ASEA Villiers House, 41 Strand, London WC2N 5JX. (01-590 5411)

The chippings, made by calcrining and crushing flints quarried in East Kent by Robert Brett, are predominantly white and pink in colour.

Three-year job for Costain

COSTAIN Construction, which as reported in the Financial Times on May 20 has been appointed contractor by Town and City Properties for the £18m. redevelopment of Camages site in Holborn, London, says the scheme will include a 9-storey office block rising above two podium decks with lower ground and basement levels covering the entire two acre site. Also rising from the podium deck will be three blocks containing 194 local authority flats for Camden Borough Council.

The building will be generally of reinforced concrete construction with solid and trussed suspended slabs, column beams, walls and staircases. The waterproof raft foundation will be on bored piles with diaphragm basement walls.

The scheme is due for completion in mid-1979. Architects are R. Seifert and Partners; structural engineers: Clark Nicholls and Marcell; quantity surveyors: Cyril Sweett and Partners; and service engineers: Smith/Sunmer Partnership.

Housing by Symes

WORK has been started by A. E. Symes on a 3-storey office block for Westminster and Country Properties in High Road, Ilford, Essex, comprising a shop and offices, together with an integral car parking area.

The company, a subsidiary of David Charles, has also started work on a 3-storey block of flats for the Springboard Housing Association at Walthamstow, East London. The contract is worth £130,000.

Will keep it cool

ABOUT 175 tonnes of Durite flint chippings are being supplied by Robert Brett and Sons of Canterbury for use as solar reflective roof dressings at the new William Harvey Hospital at Ashford, Kent.

About 15,000 square metres are being dressed with Durite by Val de Travers Asphalte. The contract is valued at £130,000.

Drainage scheme

INCLUDED in a £12m. main drainage scheme for the Anglian Water Authority, to be carried out by Kenmac Construction Company is a pumping station at Welborne, Northants, and the laying of about 400 metres of (win 700 mm. diameter ductile iron pumping mains. Also called for is 5,000 metres of centrifugally spun concrete sewers and 250 metres of sewer constructed by pipe jacking or tunnelling.

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PLANT & MACHINERY SALES

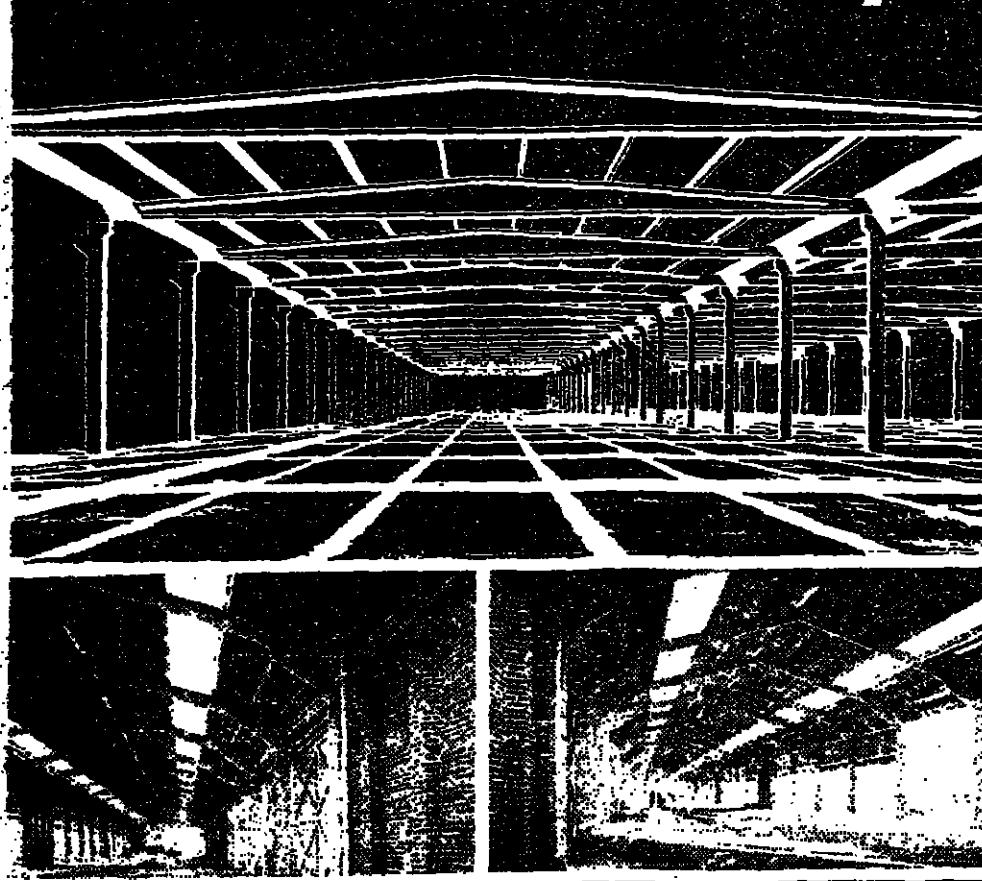
Description	Price	Telephone
4 Ten Stand roll forming line by under-Douglas. Virtually unused. capacity 200 mm x 2mm M.S. rip complete with automatic cut-to-length equipment.	P.O.A.	021-556 0904 Telex 336414
Hand Rolling Mill for attening wire and rolling arrow strip. Complete with idling rolls and recoller. ling Mills	P.O.A.	021-556 0904 Telex 336414
12" x 12" x 125 HP Farmer Jordon two high.	P.O.A.	021-556 0904 Telex 336414
24" x 36" x 300 HP Robertson two high.	P.O.A.	021-556 0904 Telex 336414
6" x 12" x 14" x 180 HP Mann four high.	P.O.A.	021-556 0904 Telex 336414
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10 Hardieckhoff 100 KW double vacuum annealing plant—useful charge area 625 mm dia x 2000 mm loading height—output 6000 lb per 24 hours.	P.O.A.	021-556 0904 Telex 336414
11 Automated 25ft Drawbench with pushpointer by Wellman—effective pull 10 tons at 100 f.p.m. and 20 tons at 50 f.p.m. Virtually unused.	P.O.A.	021-556 0904 Telex 336414
74 Fully Automated Cold Saw with batch control for cutting non-ferrous bar. Max. capacity 5" round and square.	P.O.A.	021-556 0904 Telex 336414
71 Fully Automatic High Precision Circular Saw with batch control. Max. capacity 60 mm bar-70 mm profiles and tube.	P.O.A.	021-556 0904 Telex 336414
Caterpillar 14E Motor Grader, complete with new tyres.	£25,500	Telex 51187
Caterpillar 964C Wheel Loader, with 3 1/2 cu. yd. bucket and new tyre.	£25,500	094-34 4531 Telex 51187
at DPG 46A 12267.		
March 1973. 5600 hours. New track groups fitted 9" blade and tilt cylinder. Single shank Kelley ripper.		0902-31227 Telex 338490
10YX 462		
Hydraulic face shovel. 3 1/2 cu. yd. rock bucket. Cat D333 TC Engine.		0902-31227 Telex 338490

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from the harbour and the despatch bays on the land side. Crendon precast concrete structures provide fast and economical framing for the widest range of industrial building requirements. Send for the technical details and learn how Crendon makes better building sense for warehouses, factories and multi-storey buildings too.

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Sutton, Lancashire, W2 5BP (Tel. 0524 204451)

CRENDON

Pipelining facilities expanded

McALPINE Services and Pipelines (part of the Sir Alfred McAlpine Group), of Hooton, Wirral, Merseyside, will invest about £1m. in new pipeline plant and equipment for use on U.K. contracts.

A £50,000 order has gone to H. Leverton and Co. of Windsor, for the supply of six 583 side-booms, and around another £1m will go to U.K. plant companies for various types of equipment.

MSR has undertaken several pipeline contracts for the British Gas Corporation during the past few years and just completed the Bathgate-Moffatt section of the Fries Field natural gas pipeline. More major British Gas Corporation contracts are being bid for by the company.

IN BRIEF

The City of Aberdeen District Council has awarded a £1.3m. contract to Alexander Hall and Son (Builders) a member of Aberdeen Construction Group, for the erection of 131 houses at Hilton Road/Rosehill Drive, Aberdeen.

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Agent

SOCIÉTÉ CENTRALE DE BANQUE

Money is the missing link

ANYONE WHO tried to guess the movement of sterling over the next few weeks would be engaging in a foolhardy exercise. The depreciation of the pound has gone further than can be justified by the recent behaviour of the British inflation rate compared with that of other countries. On the other hand this is a statement which could have been made when the pound went below \$1.90, and this has not prevented it from falling well over 10 cents further.

A more profitable line of inquiry is to try to seek out the grounds for continuing anxiety about the future of the currency. British politicians and officials have always tended to put more weight on trade union behaviour and less on monetary control in their approach to inflation than their colleagues abroad. The intellectual case for an incomes policy is that it can ease the strain of a monetary slowdown and indeed make the latter politically possible. Whether it really acts that way has been the subject of argument; but in no country has an incomes deal with the unions been sufficient on its own.

Incomes policy

In the U.K., however, "counter inflation" is discussed almost entirely in terms of the £6 pay limit and its successor. The one reference to monetary policy was in an extremely ambiguous passage of the Budget speech. The fruits of this approach appear in the April banking figures. The fact that there are two definitions of the money supply, neither of them satisfactory, is an index of the low priority this topic occupies in policy making, as distinct from presentation. This makes it all the more important for outside observers to look at both measures and not just the one to which their attention is being drawn. There was an abnormally large rise in bank advances made possible by the high liquidity enjoyed by the banks. The rise was both a reflection of

and a contribution to the leads and lags which have been developing against sterling. The more narrowly based "M1" has risen by 6½ per cent. during the past three months. Even if one allows for the anomalous inclusion of interest-bearing sight deposits, the underlying increase is still over 20 per cent. per annum. Although not a good overall definition of the money supply, this measure has in the past provided a valuable clue to business activity and gave the first indication that the Barber boom was getting out of control in the early 1970s. Even the more broadly based "M3" has been rising too fast for comfort at an annual rate of nearly 14 per cent., and one has no confidence that it will not carry on accelerating unless the U.K. has to borrow from the IMF.

Inflation and the £

There is an extremely close and practical connection between sterling and domestic money. The domestic inflation rate which is now down to about 13½ per cent. when property measures are likely to rise, perhaps to 16 per cent. or more, when the effects of the recent steep sterling depreciation come through into prices in the course of the summer. If there were a firmly announced and closely monitored money supply target, financial markets at home and abroad would be justified in treating it as a temporary aberration. Indeed the squeeze on real living standards at home would itself make room for some export-led growth, without over-heating the home economy, provided that there were no monetary injection to disturb matters.

Of course monetary policy cannot be treated in isolation from Government borrowing and interest rates. The latter may have to rise for both external and domestic reasons, but if the rise is to be kept in hand, there will have to be some cuts in the Government's deficit. If all the other signs of recovery are confirmed by the unemployment and vacancy figures to-morrow, there will be no excuse for further delay.

Still talking about planning agreements

THE QUESTION of planning agreements took on a fresh dimension a few days ago when it was made known that the Department of Industry had entered into detailed discussions with the Coal Board, the Steel Corporation, and British Airways with a view to concluding such agreements.

It is hard to imagine what matters would be covered which do not already form part of the constant dialogue between these public corporations and their sponsoring departments. But Ministers apparently believe that there is a case for strengthening and supplementing the present arrangements for union participation in the industries' corporate planning. And a school of opinion in parts of the State-owned industrial sector holds that planning agreements might possibly help to regularise their relations with Whitehall by giving the relationship a more formal structure and thereby making it less unpredictable.

Understanding

There could be something in both points. Whitehall is deeply involved in reviewing the nationalised industries' corporate plans on a regular annual basis and closer union consultation at some stage might help to improve understanding. Likewise, because of the extent and depth of recent Ministerial intervention in other less regularised ways, Government-nationalised industry relations have sunk to the point where almost anything which might lead to an improvement seems to be worth considering.

Yet no institutional mechanism is likely to be strong enough to guard against determined Ministerial pressure. And direct union involvement in a department-industry dialogue could make it even harder to establish on a stable basis the extent to which the industry should pursue commercial objectives and the extent to which it

Delicate process

Companies of the size which the Government sees as candidates for planning agreements have long been in the habit of talking over their future plans with departments and of seeking more effective ways of sharing their plans with their employees. But each is a delicate process, involving trust and mutual confidence. They are probably best left to develop naturally and it could well be a mistake to mix the two together.

The U.S. oil companies, never the favourites of politicians or public, are under fire again for diversifying into activities unrelated to their traditional business. Stewart Fleming reports from New York.

The oil companies prepare for the day when the oil runs out

RARELY SINCE the break up of the Rockefeller family's great monopoly, the Standard Oil trust in 1911, have the multinational oil companies in the U.S. felt more unpopular or besieged. Burdened by legislative price controls which they feel to be discriminatory and damaging to the country, embarrassed by the scandals surrounding "unauthorised" payments made by two of the industry's leaders, Exxon and Gulf, and threatened in Congress by dozens of Bills intended to break up their empires, oil companies face the future with acute anxiety.

The most immediate threat is undoubtedly that of enforced divestiture of part of their businesses. Next month the Senate Judiciary Committee will vote on the Hart-Booth Bill. As it stands, it proposes that the companies divest themselves of some of their most profitable operations and choose in which one of three areas they wish to continue to work—transportation, production, or marketing and refining.

Sources in the oil industry maintain firmly that there is no cross roots support for divestiture, and that the whole matter is a political game being played by a few albeit influential politicians. But some do concede that the vote to send the Bill to the floor of the Senate could go against them by one vote. The Ford Administration is also beginning to take the issue more seriously with important witnesses, including the Treasury Secretary and representatives of the State and Commerce Departments to give evidence on June 3 and June 8. The threat of divestiture is the most dramatic challenge to the oil companies, even if some of them still cannot bring themselves to believe that it is a real one. There already is, however, evidence of longer term changes which are bringing about fundamental shifts in the nature and structure of the oil industry. These movements appear to be well established and they are attracting not only public criticism, but also the interest of the anti-trust agencies, namely the Federal Trade Commission and the Justice Department. The trend is towards diversification, not merely into related industries such as chemicals, but also into unrelated fields.

The most recent example of this new tendency is the announcement by Mobil Oil that it is close to finalising the acquisition of a property company, Irvine, for some \$200m. That may be a petty cash by oil company standards, but is none the less significant. Mobil's decision last year to spend some \$700m. for 54 per cent of Marcor, a company in the retail

stores and container manufacturing markets, may have been more significant. Mobil injected some \$300m. of cash into Marcor.

In March of this year, Mobil's plans for Marcor took a new turn when it said that it was looking to purchase the remainder of the company's stock. Outsiders estimate that will cost \$800m. The initial move into Marcor attracted the interest of the Justice Department, although it seems that that interest has not been actively pursued.

There have been other large acquisitions by oil companies in pursuit of diversification. Last year, for example, Standard Oil of California (Socal) spent \$500m. for 20 per cent of the equity of Amstar (formerly American Metals Climax), a leading U.S. producer of copper, lead, and zinc, and the company with the fourth largest coal reserves in the U.S.

Shortly after completing the purchase, Socal (known also by its Chevron brand name) injected cash into its new interest by buying back for \$163m. Preferred stock it had issued for Amstar shares.

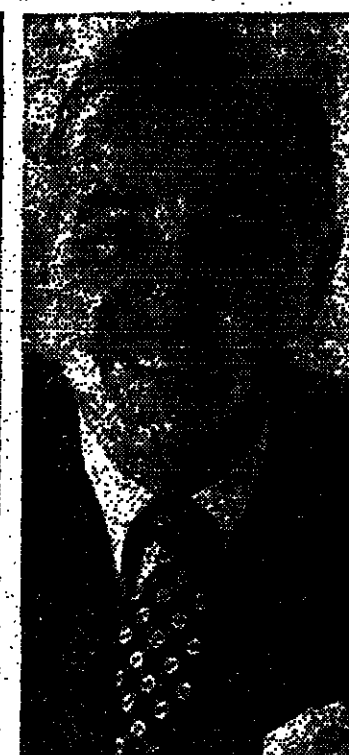
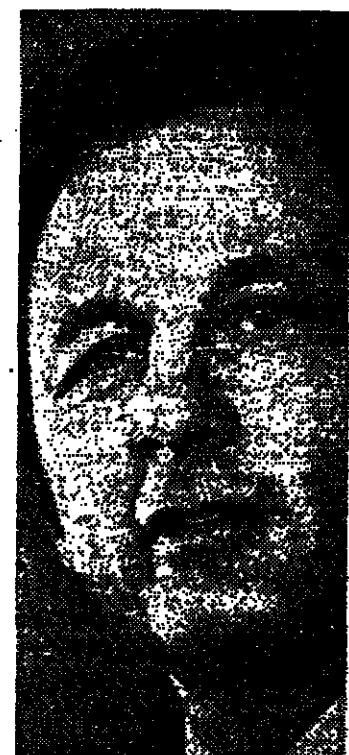
Earlier this year another oil company, Atlantic Richfield, announced plans for diversification. Arco, which has some of the best endowed oil reserves in Alaska, intruded into the fierce take-over dispute surrounding Anaconda, a \$1bn. but down at heel, non-ferrous metal company, and the country's third largest copper producer. In the face of a full-scale bid for Anaconda from the Tennessee conglomerate and a partial bid from Crane, Arco stepped in and bought a 27 per cent share stake for \$162m. and hinted that after a good time at its new property it might grab the rest of the company.

Against a background of public and Congressional criticism of oil companies which has hit their share prices in the view of some Wall Street analysts, this aggressive acquisition activity suggests that the oil companies have found some pressing reasons for not hanging back in the search for diversification. One of the main premises of U.S. anti-trust philosophy has been that diversification by building a new business from the ground floor is one thing, because it creates new competition, but that there is a presumption against expansion by acquisition.

Thus the steady growth of the oil companies in the chemical and petro-chemical business, which, for example, has left Exxon with a gross annual turnover of around \$3bn. in this area, has gone on with little public interest or opposition. The anti-trust agencies have however, been aroused by



Senator Philip Hart (left) and Senator Birch Bayh (right), sponsors of a Bill before the Senate which would carve up the oil companies.



Mr. Rawleigh Warner, under whose chairmanship Mobil Oil entered retail shops.



Mr. John D. Rockefeller (1839-1937), byword for oil company power.

the oil companies aggressive acquisitions. Both the FTC and the Justice Department are carrying out reviews (as distinct from investigations) of the oil industry's structure. It is stressed that there is no presumption of illegal activity within the context of the anti-trust laws, but the agencies are clearly anxious to find out what the oil companies' operations now look like.

Social impact

There are, it seems, two thrusts to this sort of review. One deals with the impact of the economic power of the oil companies upon industry, the economy, and on society itself. Of the top ten companies in Fortune's 500, five are oil companies.

A more precise investigation actually underway is the FTC inquiry into price fixing by the seven major U.S. oil companies in the domestic market, which is expected to go on for a long time. Some observers suggest that the Congressional divestiture bills are an attempt to pre-judge the issue.

The other area of inquiry as opposed to investigation is also well defined: what are the role and implications of oil companies operating in other energy markets such as coal and uranium? Statistics are not reliable, but best estimates suggest that in recent years oil companies have accounted for about 18 per cent of U.S. coal production and 12 per cent of uranium capacity. Several leading coal producing companies

are owned by large oil concerns with the second and third largest U.S. coal companies belonging to Continental Oil and Occidental Oil respectively. Oil companies while dwarfed by the Federal Government, own vast coal reserves. Exxon and Conoco in particular are cited by industry sources as having some 6 per cent of coal reserves each, according to unofficial estimates.

Recently, Kennecott Copper was ordered to divest itself of its major coal subsidiary Peabody, which led observers to predict that the same could happen to some of the big oil companies and their coal subsidiaries. Their seemingly logical diversification into energy-related businesses is challenged by critics on the grounds that it is anti-competitive. The oil companies contend that because of their expertise and resources they are contributing to the development of more energy resources and not inhibiting competition. Another field in which they have been active is research into the use of solar energy.

Whatever the arguments, the question remains why these multi-billion dollar corporations so vigorously seek to diversify both within and without the field of energy at a time when their sheer size (as well as their aggression) is under heavy attack.

A simple answer is provided by a Wall Street analyst and confirmed by a Mobil spokesman: the companies have the same problem as the Shah of Iran—at some point the oil will run out. The companies are "in liquidation," using up their assets, the oil reserves, and they

are thinking about what sort of future they will have. What will they be once they no longer are predominantly oil companies?

Another consideration is the impact of politics on the oil market in particular, and perhaps on the whole energy field. Those who fear that energy will continue to be a business which governments find too important to leave to private business want to hedge their bets, and perhaps (as Mobil seems to be doing) get into areas that may prove less politically sensitive.

These are some of the long-term considerations. But there also are short-term pressures for diversification. Wall Street analysts suggest that over the next two or three years the high levels of exploration and discovery and of initial production expenditure which the oil companies have had in three regions—the Far East, the North Sea, and Alaska—will pass their peak.

Exploration activity

At the same time new exploration activity is falling off, or at least not growing as quickly. Whatever the reason, analysts say that the companies will have much higher cash flows at their disposal if conditions do not change, and face a considerable problem, given their size, of what to do with the money to earn a decent profit for shareholders.

Their knowledge of geology is a factor pushing some of them into other natural resource industries (and perhaps real

MEN AND MATTERS

Here is the civil service

The civil servants are turning away wrath at the hard-to-love Driver and Vehicle Licensing Centre in Swansea. As well as 70,000 licence applications and 2,000 telephone calls a day, the centre now gets regular thank-you letters, bouquets... and, once, the highest reward, a single red rose. For the staff have been encouraged to establish "a personal relationship" with callers who probably start out their inquiry with mayhem on their mind. One simple, effective tactic has been employed to advantage: officials make sure they offer a name, their own, when they answer the phone.

The centre's director, Arthur Hillier, tells how his staff came "to answer the telephone and make friends" and even enjoy "the commitment and challenge" of it all in an article in the latest issue of the civil service quarterly Management Services in Government. Hillier's beguiling story is sub-titled "How a gamble on psychological approach came off." Banished is the blank anonymous face of the civil service. In its place, each caller is given what he somewhat dramatically calls "a lifeline," a name that shows "we are just as concerned about his problems as he is." So, from a grateful public, in flow the tributes, floral and otherwise.

Musical

Last Monday, I devoted some space to complaining that the St. Paul's experimental traffic scheme had resulted in the highly inconvenient banning of taxis from a key stretch of road linking the City and points west via Ludgate Hill. Now, complete closure of Ludgate Hill will take place on the evening

of Sunday, July 4, and I think it entirely a good idea. Because, there is to be a performance of Beethoven's Ninth Symphony by the Royal Philharmonic Orchestra on the steps of the cathedral (inside if wet). The conductor will be Daniel Barenboim, and London-loving Hollywood star Douglas Fairbanks junior will participate, reading selections from the U.S. Declaration of Independence.

It is all free, being sponsored by American banks in London—and I pass the information on, despite the fact that up-to-date details arrived on my desk in an envelope marked "Mean and Matters."

Wilson, only a watcher

Edward Kennedy has said he is not running, as Hubert Humphrey did earlier, so it seems that Bill Wilson will remain on the sidelines of the 76 presidential election campaign. But because of the admitted vagaries of American politics he is not counting himself out entirely. He will spend most of this year in and around London preparing an oddly apposite film, prepared to cross the Atlantic if called.

For Wilson is one of America's most seasoned television advisers of Presidential candidates. One programme above all establishes his credentials in the field: he masterminded for John Kennedy the 1960 debate with Richard Nixon which was a stunning defeat for the latter, grizzily and unimpressively against the self-assured if widely mistrusted JFK. Kennedy's predecessor Dwight Eisenhower made considerable use of TV to communicate with the electorate. Wilson's first taste of the scene was in 1956 when, from a CBS station in Chicago where he was mostly

producing musicals, he was picked to advise on Adlai Stevenson's campaign.

But the Kennedy-versus-Nixon contest really showed the TV machine would be the maker and breaker of Presidential hopes. Wilson's problem until the programme had been getting his master known



"I can see Peter Hain and George Davis but I would not like to swear to it."

governorship elections in the U.S. dependency of Puerto Rico.

The next year Wilson played probably the key role in getting Carlos Perez elected president of Venezuela, one of South America's few democracies. The extraordinary thing is that in those last two campaigns, Wilson did not learn Spanish, proving in a most unsettling way that the TV technique was all.

Having avoided McGovern in 1972, Wilson's part in the present U.S. campaign has so far been confined to the almost stillborn campaign of Sargent Shriver. Despite a grandfather who was a Republican congressman, Wilson is a firm Democrat. But Jimmy Carter has his own Georgia-based team and Jerry Brown has a mere five aides to do the lot. If Wilson did bat, it would probably be for Humphrey, should that worthy forget the tearful goodbyes and fling himself in.

Meanwhile, 47-year-old Wilson is producing a film here called *Maybe Some Day* which will star Dirk Bogarde as a TV journalist exiled from a nightmare Britain of to-morrow run by what Wilson calls a "managed Government." Which is what too much TV could get us, I suppose.

Merry

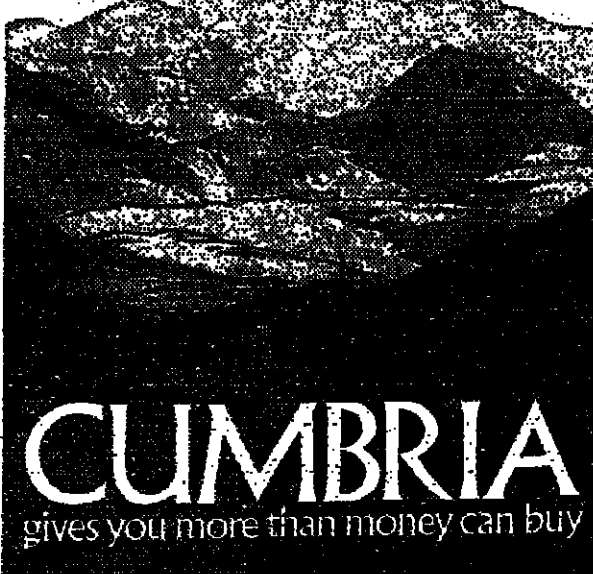
We are all worried about British Rail, of course, but the news from Waterloo station is particularly disturbing. Passengers there have been handed a leaflet announcing a restaurant opposite platform 10 called The Great Express. Comforting, no doubt, but what should travellers make of the promise of a "waitress assisted lunch," particularly as the first item on the menu is given as "Daily hot specialities. Only 90p?"

Observer

Your next move?

Get your secretary to write to the address below or ring Geoffrey Burrows on 0228 23456, for the latest information on what Cumbria can offer your company in terms of land, buildings, rent, rates, grants, social and leisure amenities, outdoor life, and all the other things that add up to civilised living.

Geoffrey Burrows, Industrial Development Officer, Cumbria County Council, The Courts, Carlisle, CA3 8LZ.



Glass-makers, losing out to Metal Box, are mounting a campaign for the "take-home" beer trade. Kenneth Gooding reports

A bottle fight over the beer canners

ER unseemly squabble between the glass makers and the metal box manufacturers is making its way to the courts. The glass makers are making to win back the beer trade. They have a strong case. The metal box manufacturers are making to win back the beer trade. They have a strong case. The glass makers are making to win back the beer trade. They have a strong case. The metal box manufacturers are making to win back the beer trade. They have a strong case.

One of the main aims in the first year will be to stop people feeling guilty about throwing away non-returnable bottles. "Open a tin and it has obviously completed its job. But a one-trip bottle looks as good as new," says Mr. Vic Hender, UG's managing director. "What we have to do is to remind people that the one-trip bottle is the most inexpensive container."

And that it is cheaper to throw it away and use a new one rather than go through a reclamation process.

So this concept that glass makes a cheaper container is to be used in both the consumer campaign and in the presentation to the brewers. The U.K. glass manufacturers are hoping to emulate the American experience when the producers, by stressing the cost benefits of glass against the can, managed over some years to claw their way back to a half-share of the carry-out beer market where the can had previously dominated almost to the same extent as in Britain. (Here nine out of 10 pints of beer are carried home in cans.)

The battle for market share involves more than just beverage containers. The relative position of the industries can be judged by output in the U.K. last year. Around 8.5bn cans were produced against 6.25bn glass containers. To redress the balance, the glass makers feel they should aim to get more business from the packers of such things as fruit and vegetables. They point to Continental Europe where many more of these products are bottled rather than canned.

However, there are formidable

obstacles to overcome. For example, because the consumer can see through the glass container, the appearance of the fruit or vegetables packed in it must be perfect. This gives the packer extra quality control problems he does not encounter when canning.

Market research has been done by both sides in the dispute and this shows that the can remains the most popular container. The glass manufacturers' research, part of a £20,000 programme, showed 51 per cent of consumers preferred cans and 47 per cent preferred bottles. The Metal Box inquiry, carried out just a few weeks ago, gave cans a figure of 55 per cent.

Those are the kind of results to bring solace to both parties—the can makers because the research puts them out in front and the glass makers because they can take the view that public opinion is almost evenly divided.

What the research also shows is that the can scores with customers mainly because of its convenience. The Metal Box inquiry is still being evaluated but the unprompted reasons given by people who said they preferred cans revealed they did so because cans don't break and because they are lighter and easier to handle.

A closer examination of the glass manufacturers' research shows that the people who prefer bottles consider that glass better protects the quality and taste of the beverage. From this the manufacturers have concluded that a bottle which incorporated the main convenience features of the can would come close to being the perfect pack.

The problem for the bottle makers is that, while design technology has allowed them



progressively to reduce the weight of their products, it is extremely unlikely that the bottle will ever be as light as a can. And, however far surface-toughening processes are taken, bottles will still smash when dropped on a hard floor.

But the glass makers have been able to produce a wide-mouthed bottle with a ring-pull top, something an MB executive sarcastically described as "an imitation can with all the deficiencies of the bottle." The ring-pull top registered as a very important part of the can's attraction in the surveys.

And at the time the brewing industry chose to concentrate on canning beer for the take-home market rather than selling in bottles, the ring-pull opening had given the can a strong "convenience" advantage over the bottle. As a result sales of beverage cans shot up from 500m to around 2.5bn a year.

In recent years the brewers have spent an estimated £8m on canning lines while their

bottling equipment remains fairly old. Apart from offering wide-mouthed bottles with ring-pull tops, the glass manufacturers can also supply to-day resealable containers, a characteristic unique to the bottle. Also they can provide glass in an almost infinite number of shapes and sizes. Cans, they point out, are subject to a variation of the Henry Ford syndrome—you can make them in any shape as long as they are cylindrical.

But, while glass containers might give the consumer a wider variety of choice on the production front, can certainly seem to have the edge. Take the speed of filling for example. Lines filling 1,000 cans a minute are commonplace and the latest major Metal Box installation at the Scottish and Newcastle Fountain Brewery in Edinburgh can fill 1,250 cans. The best bottle makers can point to at the moment are speeds of 600 although there is a very special installation in

Japan where Coca-Cola is being bottled at the rate of 1,000 a minute. The glass container industry argues that it can do some catching up here while it will be very difficult for the can makers to make significant progress in pushing up their speeds.

Metal Box also has the edge when selling to customers because it can offer a complete "package" of canning equipment, much of the hardware actually made by MB itself. To counter this, the glass industry is attempting to group together various equipment manufacturers who can offer a similar "package" for bottling.

MB is busy, too, developing ideas and technology for new products their customers might want. Five years ago the MB kitchens came up with canned creamed rice—an enormously successful idea which they have been trying to match ever since. Overnight sales of

tinned creamed rice shot up to an annual rate of 800m.

The glass manufacturers have the Camden Food Preservation Research Association at Chipping Camden doing the same kind of investigation. But the problem for them is that this is sponsored by the industry as a whole and so the results must be shared by all the companies.

In its search to contain costs the can industry has developed a two-piece can. This involves a process where the can is produced by drawing metal through a system of rings to form a seamless container with an integral bottom rather than the conventional manner, where the bottom is soldered to the side. The result is a new can which costs 20 per cent less than the conventional type.

MB has spent £11m on a two-piece plant at its West-houghton plant four miles from Bolton—its biggest single investment in the U.K.—and claims that the new can offers opportunities for savings not available to the conventional three-piece variety, perhaps through the use of cheaper steel.

Tinplate costs

The can makers must concentrate on these cost-saving problems because the raw materials they use have to be imported. The cost of tinplate used for cans has risen by 100 per cent over the past 2½ years and with the British Steel Corporation set a target of making reasonable profits, there is every reason to believe the cost will go on rising rapidly for some time.

But raw materials for making glass, mainly sand, are in-

digenous and, though glass making uses more energy than the manufacture of cans, there is the prospect that the import content of the glass-making process will disappear almost completely as Britain produces more and more of its own oil requirements.

Both industries are involved in reclamation schemes to see if it would be worthwhile recycling old one-trip containers. But so far it appears it is still cheaper to make a new bottle or can rather than reclaim and re-use old ones.

Although there are sound commercial reasons why the two industries are looking so hard at recycling their products, there is no doubt that the growing voice of the environmentalist lobby has also had something to do with it.

And this is why some people from both sides are worried about the current squabble. They fear that if too much public attention is drawn to their arguments, the environmentalists might seize the chance to return to its attacks on the container industry.

Once more the call could go out for a tax on non-returnable containers of all types, something which would hit both industries but would make the can manufacturers suffer more.

The mood of the can producers was aptly summed up by the MB executive who said: "We don't want a public slanging match with the glass container people. We'll be content to let the customer choose."

And in the end that is just what will happen. The customers in the food and drink processing industries, with a little help from the ultimate consumers, will decide. And on the showing so far there will be no shortage of statistics on which the decision could be based.

Letters to the Editor

derwriting mission

r. A. Scrimgeour.
Sir Malby Crofton's letter (5), will do nothing but port to critics of the City. I recently wished to disarm criticism by adopting a new system for underwriting. Unfortunately, the merits of assurance against failure may be he does not state its correct concerning present system. Although in his capacity as a h Councilor, he bases his in his experience in the d the Stock Exchange, so might he be led to believe se views can be supported statements he makes, not so.

is no such thing as for old rope" underwriting. Obviously on balance a period, underwriters b-underwriters make a y guaranteeing the sub- of new capital for in- Just because an issue of issues is a "success" sense that sub-under- are not called upon to stock it does not follow : commissions paid are issues are underwritten year out, and in 1969, nple, one after another l with underwriters so losses incurred exceeded of commission received underwriters for several years. It is surely : that commissions of 1 per cent, and 2 per cent all not provide cover oses where the discount price, if there is less full subscription, is a much greater

placement of sub- ings is not mainly to a handful of large king firms." A large of firms handle new siness. The names and e are publicly available example, the Issuing ear Book. It is true, of that not all brokers act e companies and there e firms obviously figure nly in tables showing capital raised or under- as opposed to numbers s. use of the expression ed client" might convey ession that sub-under- is allocated to some y and therefore im- y. In fact, the selec- funds and the size ommitment to be offered is a major part of the e which is required of ng broker. Much detailed use and experience goes e preparation of sub- uring list which will rual hundred individual Of course there is no y which it can be d that all investment hich are capable of sub- uring actually receive nce the existence of cer- e smaller ones may be n to the brokers to a p- issue. The incidence, r, of joint brokers to s such that coverage goes vond the clients of any a that may be arranging derwriting.

difficult to criticise the d system's proponent. Malby when only a outline of it is given. ould it be organised to With constantly growing e demands for under- etermining, thus, far, Education and Science will most e who knows what is port to local authority museums, in years to come?

The system of securing the sub- scription of new capital which has evolved in this country over the past 100 years cannot be shown to have failed yet. There may indeed be a better system though in my experience, which extends for some 25 years in the new issue field, it is not to be found in the methods of Europe and the U.S., which cannot match ours for speed, net cost, simplicity and certainty.

It is most unfortunate, therefore, that this important aspect of our financial machinery should be criticised on grounds which are not supported by the true facts.

Alexander Scrimgeour, 17th Floor, The Stock Exchange, E.C.2.

Different analyses

From The Chairman, Economic Associates.
Sir—I do not dissent from the conclusions reached by Douglas Jay (May 14) but he should have pressed the argument further. In the past, much confusion has been caused by failure to distinguish between cost-benefit analysis and financial analysis in transport programmes, and the tendency has been to evaluate road projects by cost-benefit methods and railway projects (and operations) by financial criteria. This problem is not restricted to the Green Paper: the only issues reserved for cost-benefit appraisal are the urban commuter rail network, the closures of lines or stations, and all roads, everything else (including all other British Rail operations) being left for financial appraisal. It is extremely difficult to apply financial appraisal methods to road projects. It is therefore necessary to apply cost-benefit appraisal to the railways, including subsidies, in order to establish a proper comparison. This the Green Paper does not propose to do, and this is one of its main weaknesses.

The arguments that follow from this are highly complex. It is implicit in any subsidisation of the railways that there are benefits other than the purely financial in selling their services at less than true cost. Road construction and maintenance are financed by public funds, but their use is not paid for directly, so that "losses" cannot be accurately estimated. Since the present argument is largely concerned with comparisons between road and rail, at least an attempt should be made to establish common criteria.

Lottery to aid museums

From Mr. H. Leggatt.
Sir—The Home Secretary recently issued a consultative document covering his proposed regulations under the Lotteries Act, 1975. Once these regulations have been finalised (within the next month or so) and have received Parliamentary approval, the Act will come into operation. Under it, local authority lotteries will be permitted for the first time.

and in particular their purchases of objects for public exhibition and enjoyment. I feel sure it will be agreed in times of financial stringency one of the very first sectors to suffer cuts at the hands of local authorities is that of the public museums. For a variety of reasons it is undeniable that private support for such institutions is becoming less and less forthcoming. In these circumstances, local authority museums would appear to be particularly strong claimants as beneficiaries from such lotteries, and it is greatly to be hoped that the Government will give a lead in making it clear that it would welcome a proportion of the proceeds of any local authority lotteries being devoted to a public service which tends more often than not to be underrated and overlooked.

I would add that in certain cities in Germany the proceeds from lotteries have been allocated, with very constructive results, to museum acquisitions.

Hugh Leggatt, Leggatt Brothers, 30, St. James's Street, S.W.1.

An additional burden

From Mr. F. Stark.
Sir—The proposal by the Layfield Committee for the introduction of local income-tax in addition to rates is something that should be energetically resisted by all ratepayers.

One does not need to be a prophet to foresee that it would very soon be conveniently forgotten by both Government and local authority that local income-tax had been intended to partly replace rates that within a very short space of time rates would again be up to their present high level and local income-tax used as a completely new and additional burden on tax and rate payers.

Deferred taxes

From Mr. R. Instone.
Sir—You report (May 20) a growing row between industry and the accountancy profession over the treatment of deferred taxation in company accounts. This is exactly what is to be expected when bodies who have no power to do so arrogate to themselves a law-making function after inadequate (if any) consultation with other interested groups. Some of the difficulties encountered by the City Panel on Take-overs is attributable to the same cause.

The Queen and Duke of Edinburgh leave for State visit to Finland.

Broad-spectrum philosophy

From Mr. O. de Baer.
Sir—I note with great pleasure Mr. P. J. V. Kirwan's efforts (May 19) to learn the English of the 1975 and would, in all modesty, point out that I myself completed my studies in it last year. At that time my company received an acquisition approach; the bidder clearly overlooked the self-evident fact that due to my Anxiousness to learn and to his own lack of pragmatism he could not achieve the required success ratio. The following is a direct quote from my closing communication of last November:

"At this particular moment in time there is no way this syndrome can be reprogrammed into a meaningful situation within the time-frame envisaged. It would be invidious to postulate a strategy for achieving such an out-turn due to the parameters built into our group concept. Accordingly our posture which is customarily based on credibility remains equitable within the overall scenario. Historically a prime feature of our broad-spectrum philosophy is job satisfaction. Our mutual criteria are thus lacking in a satisfactory degree of compatibility. Regrettably, my reply must be seen as definitely negative in the absence of likely synergy emergence benefits. Hopefully we shall one day encounter a more productive environment."

Now what could be more tactful and diplomatic? Point taken?

The car as a benefit

From Mr. O. Thorniley.
Sir—The following comparison shows the severity of the effect of the new car benefit provision:

Encore capacity: 1,880 cc	43 Lms
Cost: 287 £2,300	55.500
Business use 75 per cent	
Assessment of benefit	
1976-77	515
1977-78	715
1978-79	825
1979-80	1,035

 At marginal rates of tax of 50 per cent to 83 per cent, the increase in benefit from 1976-77 to 1978-79 will be equivalent to a reduction in gross salary of from £225 per annum to £217.5.

The Queen and Duke of Edinburgh leave for State visit to Finland.

To-day's Events

Portals: Real progress in 1975

A good start to 1976

A summary of the Statement by the Chairman, Mr. J. V. Sheffield, included in the 1975 Annual Report.

In spite of the gloomy economic backdrop, I am pleased to report that our Group made real progress in 1975. Our world-wide turnover increased from £45 million to £59 million, an increase of 31%. Direct exports from the UK were at the record level of £20 million, an improvement of 52% over 1974, and taking into account indirect exports and the turnover of our overseas subsidiaries, approximately 65% of our Group business was generated from abroad. Our profits before taxation in 1975 were £5,404,000 as compared with £4,251,000 in 1974, an improvement of 27%.

Water Treatment and Engineering Division

The turnover of this division increased from £36 million in 1974 to £44 million in 1975, however the profits for the two years were almost identical, as predicted in our interim report. This can be considered a satisfactory result as 1975 has been a year in which demand for our products in the UK has been at a low ebb. We are seeing the pattern of trade changing for our contracting companies; the trend is towards fewer but much larger and more complicated contracts.

Bank Note and Security Paper Division

Following upon the record results of 1974, this division continued its excellent progress during 1975. Demand for our bank note and security paper products remained strong throughout the period so that our productive capacity remained fully committed. Exports were again at record levels. During the year we completed the installation of new capacity at Overton Mills including a new paper machine at a total cost of

Sir Lindsay Ring, Lord Mayor of London, presides at annual general meeting of Royal National Lifeboat Institution, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions. Opposed private business.

House of Lords: Agriculture

(Miscellaneous Provisions) Bill and Rating (Charity Shops) Bill, second reading. Debate on report of joint examinations sub-committee of Schools Council on examinations at 16-plus.

COMPANY RESULT

House of Fraser (first quarter).

COMPANY MEETINGS

See Week's Financial Diary on page 23.

BALLET

Stuttgart Ballet dance Greening, Opus 1, and Daphnis and Chloe, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

Claudio Arrau gives piano recital of works by Beethoven and Schumann, Royal Festival Hall, S.E.1, 8 p.m.

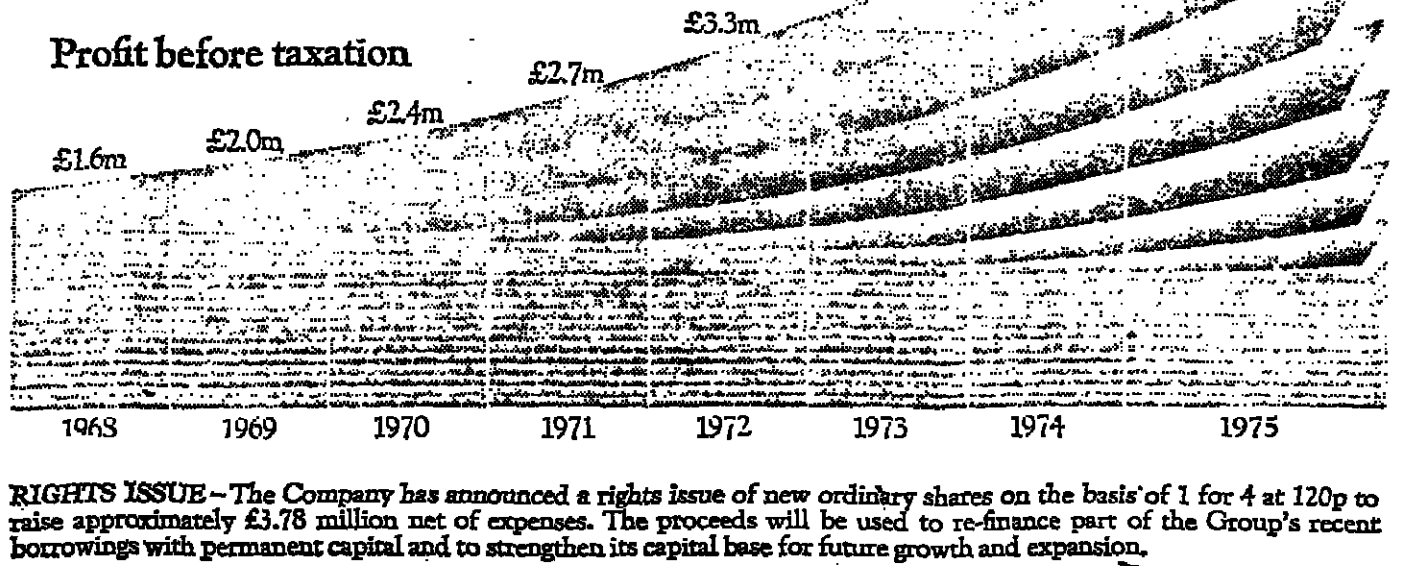
SPORT

Cricket: MCC v. West Indies, Lord's, Squash: World amateur championships, Wembley.

Gillian Weir (organ), William Bennett (flute) and John Miller (trumpet) in programme of music by Bach and his contemporaries, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

SPORT

Cricket: MCC v. West Indies, Lord's, Squash: World amateur championships, Wembley.



COMPANY NEWS

Spillers starts well—and confident

THE CURRENT YEAR of Spillers has started well and chairman Mr. Michael Vernon believes the company is well placed to face the year with confidence in a satisfactory outcome.

Objectives are the continuing modernisation and rationalisation of the mills, bakeries and factories as far as resources will allow, and the further expansion and development of the food and agricultural businesses at home and overseas.

Despite the advance in profits from £7.5m. to £15.4m. in the year ended January 31, 1976, the group is still not earning an adequate return on capital employed. An improvement depends primarily upon the baking company returning to profitability and this has a number of factors under the various stages of the Price Code.

The Code has been particularly harsh on Spillers-French Baking and will continue to do so until July when some changes are expected, the chairman states.

Last year Spillers-French Baking did show some improvement following new management and controls, and through continuation of the rationalisation programme with the closure of a further three bakeries and a number of depots. And the year also saw the completion of major modernisation work at two of the larger sites.

Referring to the National Milling Company of Zambia, the chairman expresses the hope that it will be possible once more to operate the business on a sound commercial basis so that Spillers will one day benefit from the significant investment it has made in the past in helping to establish and build up the enterprise.

The Zambian Government, which is the majority shareholder, refused to allow adequate increases either in prices or in sales, resulting in some products being sold for less than the cost of the raw materials used. Spillers share of the loss has been extinguished and the assets attributable to its equity interests are being sold.

Leaving aside the proceeds of the November rights issue, year-end group net loans and overdrafts were down from £55.25m. to £32.08m., reflecting increased cash flow, restriction of capital expenditure to essential items, further material realisations of surplus assets, and continuing control over working capital.

The Board has continued the arrangements to maintain an appropriate "safety margin" in the total short and medium term finance facilities available.

As stated on April 21 in the preliminary report, the dividend for 1975-76 was 2.25p (2.3025p) net.

Meeting, 9, Little Trinity Lane, E.C. June 16 at noon.

Midway rise by Spooner

A pre-tax profit advance from £209,500 to £235,400 is reported by Spooner Industries for the six months to March 31, 1976, on increased turnover of £4.1m. compared with £3.8m. in the previous period.

The net interim dividend of 2.5p share is maintained at 0.52p—last year's total was 2.13p from profits of £174,000.

BOARD MEETINGS

The following companies have notified dates of Board Meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends are expected.

TO-DAY
Interim: Cambrian and General Securities, John Carr (Doncaster), Plinville, Ley's Foundries and Engineering.
Final: George Doland, International Combustion, L. Union, Outch Investment Trust, Smith and Son.

FUTURE DATES
Interim: Buroc Deas May 28

£0.26m. loss for Stylo Shoes

DESPITE A second half profit of £124,000 Stylo Shoes incurred a taxable loss of £262,000 for the year to January 31, 1976. Last year a profit of £639,000 for the second half lifted the figure for the full year to £709,000.

The dividend per 25p. share is cut from 1.4p. to 0.7p. net.

Sales for 1975-76 were 14,600,000, compared with 13,125,000 for 1974-75. Tax credit was 138,000, compared with 128,000. Extraordinary profits were 32,000, compared with 7,000. Profitable loss was 154,000, compared with 139,000.

This time there are extraordinary debts of £82,000, made up from costs of closure of a U.S. subsidiary of £108,000 less £26,000 profit on the sale of property.

The results for the first few months of 1976 at Advance Laundries are encouraging but Mr. W. M. Dravers, chairman, expresses concern about future uncertainties, particularly in relation to unending rises in costs and the ability of prices to match them.

He says in his annual report that he thinks it important to maintain and improve the quality of service, rather than adopt a policy of growth at sub-standard prices. Provided that the state of the economy shows a turn for the better, he is hopeful that holders will be disappointed with 1976 results, "although progress on the 1975 scale obviously cannot be expected to continue".

As reported May 4, turnover in 1975 improved from £15.8m. to £18.1m. and pre-tax profit was up from £1.8m. to £2.5m. Dividends are 1.50p (net 1.3789p).

Mr. Dravers says that the established commercial services have been dominant both in terms of turnover and profits.

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Company	Share	Dividend
Caplan Profile	May 27	May 27
Causton (Sir Joseph)	May 27	May 27
Dumond and London Inv. Trust	June 17	June 17
Grand Metropolitan	June 11	June 11
Greenall Whiting	May 26	May 26
Northampton Brick	May 27	May 27
Songar Bahru Rubber Estates	June 3	June 3
Finals		
Alliance Investment	June 2	June 2
Churchbury Estates	June 3	June 3
Cook (Wm.) and Sons (Sheffield)	May 27	May 27
Cow Shorter	May 27	May 27
Carlinian	June 4	June 4
Dawson (James)	May 27	May 27
East Midland and Allied Press	May 27	May 27
Hill (Philip) Investment Trust	May 26	May 26
James (Edward) (Contractors)	May 25	May 25
London and Aberdeen Inv. Trust	May 26	May 26
Monks Investment Trust	May 26	May 26
Samuel (H.)	May 23	May 23
Teacher (David)	May 23	May 23

£70,000 for possible losses there has been made.

A smaller loss was incurred in Germany in 1975 although he does not expect the company to break even.

Meeting, Stratton House, W. June 14, noon.

Optimistic outlook at Portals

THE BANK NOTE and security paper division of Portals Holdings has started 1976 with a strong order book and, although there are some short-term gaps in the production programme, caused by customers rescheduling their requirements, chairman Mr. J. V. Sheffield expects it to be producing near to the limit of its expanded capacity in the current year.

Following the installation of new capacity at Overton Mills during 1975 it is not planned to further expand plant for the present but rather to achieve and consolidate the volume efficiency and quality benefits that should follow the installation.

In the water treatment and engineering division the chairman reports that the order books of Paterson Candy International are not as strong as he would wish. Although this will not affect results in 1976, performance in 1977 and 1978 will be adversely affected unless order intake can be improved this year.

In 1975 the order intake of Permutit-Baby, boosted by a few large contracts at home and overseas, was "quite satisfactory" and this trend has continued into the opening period of 1976.

For Zerolit, the current year has begun with an improved order situation relative to the slack period in early 1975, and the chairman is anticipating improved earnings this year.

Summing up for the group as a whole the chairman says that he is encouraged that trading results for the first quarter are better than those budgeted and the remainder of the year is viewed with confidence.

As reported May 20 group pre-tax profits expanded from £4.25m. to £5.4m. in 1975. In addition a rights issue to raise some £3.78m. was announced. The dividend is 3.54p (5.084p) and 7p is forecast for the current year on the increased capital.

The report shows that the effect of a cost of sales adjustment and depreciation adjustment on a

CCA basis would be to reduce pre-tax profits for the year by some £1.8m.

Chairman's statement, Page 15

Market bid by Gross Cash

IN ORDER to expand sales, Gross Cash Registers has developed and presented a new electro-mechanical register to capture a further substantial section of the market on a profitable basis, report joint chairmen, Mr. Samuel Gross and Mr. Henry Gross.

There is a growing demand for electronic registers with specialised features and appropriate action is being taken to obtain a share of the market.

Volume sales have been improving and they expect this trend to continue.

While there will be a "significantly reduced loss" in the first half of the current year, the chairman says it is unlikely that the company will return to profit until the latter part of the year.

New office premises financed through a Euro-dollar loan, have been sold and leased back by the company, resulting in a capital profit—after deducting an exchange loss—of £1.34m. before tax.

After allowing for a group pre-tax loss of £2.06m. for the year to September 30, 1975, net worth is down slightly from £2.33m. to £2.26m. The loss compares with a 1974-75 profit of £274,000, as already reported.

No final dividend is being paid—the 0.77p interim compares with the previous year's 2.415p total.

Dubilier holds first half profit

DESPITE INDUSTRIAL action at its Liverpool factory in January Dubilier, makers of electric and electronic components, managed to hold profits at £291,000 for the six months ended March 31, 1976, compared with £289,000 for the same 1974-75 period.

The directors point out that similar problems were experienced at the factory in April. The interim dividend is 0.41p (0.4p)—the total for 1974-75 was 0.80428p paid from profits of £514,000.

FT Share Information Service

The following securities have been added to the Share Information Service:

Abbot Laboratories (Section: Overseas New York)

Chromalloy American Corp. (Section: Overseas New York)

International Multifoods (Section: Overseas New York)

Town and City 61pc Conv. 1983 (Section: Property)

ISSUE NEWS AND COMMENT

Wilson Walton offer for sale

Application lists open on Thursday for an offer for sale by Wilson Walton Engineering. The price is 47p per share payable in full on application and proceeds of £743,000 will be used entirely for working capital in the group's business, the improvement of facilities and to assist in expansion.

The group's development has enabled it to cater for a large number of clients in the offshore industry both in the U.K. and overseas. In 1973 approximately half of the turnover was for installations overseas. Wilson Walton's primary business is assembly and fabrication from which it has developed specialist skills in several related fields.

In the five years from December 31, 1971 to 1975, turnover has increased from £569,000 to £1,111,000, while pre-tax profits have risen from £29,000 to £57,000. Currently the forward order book stands at £10m. Allowing that certain contracts will be completed in 1977 and the group takes a proportion of the estimated profit of £1.5m. in the course of completion, the group is forecasting sales growth for 1976 and pre-tax profits of not less than £70,000.

The directors expect to pay an interim dividend of 1p per share in December and a final of 2.15p in June 1977 in respect of the year.

The dividend would be covered 2.11 times by earnings and at the offer price the grossed up yield is 10.43 per cent. and the net p/e 10.43.

Following the offer for sale, Capt. G. E. Downs and his family will hold 26.65 per cent. of Wilson Walton's 30.8 per cent. of the Ordinary and 38.96 per cent. of the "A" shares, and Mr. P. Vardier owns 6.43 per cent. of the Ordinary and 38.15 per cent. of Wilson capital.

Brokers to the issue are Kitcat and Aitken.

comment

A relatively small issue by Wilson Walton is in the unenviable position of being the first to test the market after a lapse of 21 years. Also the timing is perhaps not ideal for the group, coming as it does when North Sea work in general is becoming thinner.

comment

As foreshadowed last week the £413,243 in respect of land capital of Dares Estates, suspended in May 1974, is to be required to-day. This follows a reconstruction of the Board which took place in February after Mr. P. D. Jackson, Mr. D. C. Sidi, Mr. J. R. Morley and Mr. R. C. Herbert-Smith and family trusts had acquired a total of 4,208,416 Ordinary 20p shares at 2p per share (approximately 65 per cent. of the capital).

Coinciding with the re-listing of the shares, the remaining shareholders in Dares receive an offer of 2p per share for their holdings amounting to £5.27m. Co-acting on behalf of Mr. Jackson, Mr. Sidi and their family trusts.

In a circular to shareholders Mr. Jackson says that the financial affairs of Dares are now on a firm footing and confirms that all connections with the Stern Group have been severed.

At April 30, 1976 group borrowings amounted to £5.27m. including £4.32m. secured bank overdrafts and loans which will be reduced by about £1.07m. as a result of the renegotiation of the arrangement with Slater Walker.

Group unaudited figures for 1975 indicate an overall loss of May 9.

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Tarmac prospects reasonably good

PROSPECTS for Tarmac in the current year are reasonably good, states chairman, Mr. R. G. Martin. He believes that there will be further growth in the group in the U.K. and that this, together with the potential increase in overseas earnings, should provide the ingredients for another successful year.

However, the real test will be to achieve a growth in pre-tax profits greater than the rate of inflation declared the chairman.

In 1975 group pre-tax profits increased by 14 per cent. to £20.27m. Overseas pre-tax profits rose 135 per cent. and produced 45 per cent. of the increase. Interests outside the U.K. now represent 9 per cent. of the total pre-tax profit.

Total group borrowings at December 31, less money on deposit, were £25m., which means that the ratio of net borrowings to equity funds is 0.34:1. This, says the chairman, gives the group a strong financial position and the strength to pursue many plans for strategic expansion.

A substantial contribution to this improvement came from the rights issue. The net proceeds were £10.6m. which, with nearly £5m. generated from 1975 trading, has transformed the group's borrowing situation. At the year-end cash was up from £1.4m. to £11.62m., while overdrafts were cut from £18.43m. to £4.15m.

The group's control of working capital and the deferment of tax payments have helped to finance record levels of expenditure on new plant and equipment totalling £25m. in the year.

During 1976 it is intended to continue spending large sums to build up the future strength of the business, and a number of expansion and capital commitments are in excess of £20m., of which 40 per cent. is directly attributable to expansion overseas, including the growth markets of the Far East.

The report includes accounts adjusted for the effects of inflation on a CPP basis. These show pre-tax profits of £23m. (£25.5m.) and profit attributable of £13m. (£11.3m.) against £8.3m. (£6.3m.) on a historical basis.

comment

Before the rise in M.L.R. last Friday and the resulting drop in gilt prices, the terms of Scottish Agricultural Securities looked right for an uneventful issue. However, the turnaround in the market has undermined the terms, and though the flat yield of 14.6 per cent. on the issue price is about a point ahead of comparable gilts, whether or not the issue will be a success depends on the action of gilts up to Thursday. Providing gilts do not deteriorate any further the issue could get off the ground though a premium when dealings start looks unlikely.

comment

Reflecting "unprecedented provision" for bad and doubtful debts suffered by the export division—where losses amounted to £435,000—profits of George Wills and Sons (Holdings) fell from £281,502 to £249,895 for 1975.

As announced in February, the company experienced the sudden collapse, in circumstances of fraud, of a major client in Singapore. Since then the directors Securities (Jersey).

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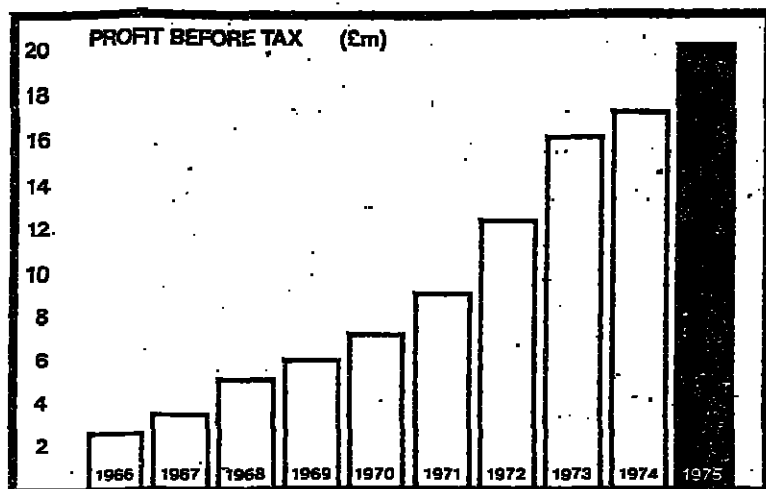
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Diverse activities bring 9th record year for Tarmac.



Extracts from the Chairman's statement. Mr Robin G. Martin reports.

The Tarmac Group achieved its ninth successive record year in 1975 with a pre-tax profit of £20,270,000—14% ahead of 1974. Overseas pre-tax profits rose by 135% and produced some 43% of the increase.

The main Divisions, Quarry Products, Construction, Housing, International, Building Products, all did well. The renamed Quarry Products Division had a very good year. Overall results in Europe were better and there was a useful contribution from the newly-formed International Division, the forerunner, I hope, of much to come in the next few years.

THE YEAR IN BRIEF	1975 £000	1974 £000
Turnover	410,788	322,842
Profit before taxation	20,270	17,779
Profit after taxation	10,095	9,354
Capital Expenditure	23,803	15,953
Depreciation	10,575	7,891
Assets employed at 31st December	134,345	99,983
Earnings per ordinary share	20.1p	20.4p
Dividends per ordinary share	7.98p	7.345p

Growth at home and overseas.

We now have a much broader business base in the United Kingdom construction industry than in the past. We also recognise the need for geographical diversification outside the United Kingdom.

I think 1975 will be remembered as the year when our overseas strategy began to produce a perceptible shift in the right direction.

Much of our overseas strength is being drawn from mature management in the United Kingdom and I believe we are now going to advance more quickly than I had originally expected, especially in those countries with oil-based economies.

THE TARMAC GROUP

<p>Quarry Products. A major supplier to building, civil engineering and chemical industries. Largest black-top manufacturer in the United Kingdom.</p> <p>Housing. The third largest private house builders in the United Kingdom.</p> <p>International. Our newest division: growing rapidly and hard at work in the Middle East.</p>	<p>Construction. A major contractor throughout the United Kingdom in all types of work. Second largest civil engineers in the United Kingdom.</p> <p>Building Products. Major manufacturer and contractor in waterproofing and insulation materials. The largest roof waterproofing organisation in Europe.</p>
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Within the Group we have an admirable blend of interests with varying degrees of risk and commensurate returns on investment. The manufacture of quarrying and building products offers us acceptable returns and provides asset strength to support more entrepreneurial activities with their higher returns. These are typified by our building and civil engineering activities.

With the proposal to acquire Holland, Hannen & Cubitts Limited, our construction services will take an even more important place.

Further investment in quarrying and in building and allied products will continue to maintain the Group's traditional balance.

We are fortunate that by its nature our business is divided into numerous small

sections in which the average number of people employed is relatively low: 99% of all sites, depots and works in the Group employ less than 100 people; 93% less than 50 people.

The sense of involvement in such environments offers a degree of automatic participation and leads to good industrial relations.

I think shareholders will agree that everyone, managers and employees alike, has taken up the challenge set by 1975 in a magnificent way.

In a period of falling United Kingdom markets, high inflation and the need to diversify overseas, they have succeeded in beating the 1974 pre-tax figures by a good margin. Our thanks should go out to all for a splendid contribution.

GROUP RESULTS BY DIVISION	1975	1974
	Turnover £'000	Profit before tax £'000
Quarry Products	143,754	10,089
Construction	129,990	3,498
Housing	29,036	3,306
Properties	4,464	(998)
International	20,894	517
Building Products	79,198	3,516
Other Activities	3,661	342
Total	410,788	20,270

The Future.

We intend to continue spending large sums to build up the future strength of the business, and authorised expenditure and capital commitments are in excess of £30 million, of which 40% is directly attributable to expansion overseas.

Total Group borrowings, less money on deposit, are £25 million, which means that the ratio of net borrowings to equity funds is a healthy 0.34:1. This gives the Group great financial stability and strength to pursue our many plans for strategic expansion.

Our prospects for 1976 are reasonably good. We are interested in a wide variety of activities in the United Kingdom, and our performance in them continues to show promise.

I believe that there will be further growth for us in this country and that this, together with the potential increase in overseas earnings, should provide the ingredients for another successful year.

That this will be the tenth successive record year is probable, but the real test of our endeavours will be to achieve a growth in pre-tax profits greater than the rate of inflation. We shall certainly have a try.

Tarmac

MEANS EVERYTHING IN CONSTRUCTION

To the Registrar, Tarmac Limited, Ettingshall, Wolverhampton WV4 6JP.
Please send me a copy of the Chairman's statement and your 1975 Report and Accounts.

Name

Address

APPOINTMENTS

Pritchard Services Group posts

THE PRITCHARD SERVICES GROUP announce the appointment of three additional executive directors to the main Board. They are: Mr. Peter J. Fox, managing director of Cleaners Ltd., Mr. Brian St. John Mowbray, managing director of United Linen Services, both companies being part of Pritchard Services Group, and Mr. Curtis Roberts, managing director of Pritchard Services Group, International Division.

Mr. Bernard Kelly, a director of S. G. Warburg, has been appointed a director of STANLEY GIBBONS INTERNATIONAL.

Mr. K. Roberts has been appointed a director of CLARKE SECURITIES.

Mr. R. E. Ridd and Mr. G. A. Swain have been appointed managing directors of SPHERE DRAKE (UNDERWRITING).

CERRO METALS (U.K.) announces that Mr. C. J. B. Green has been appointed managing director with effect from June 1, on the resignation of Mr. A. M. Vere, who will continue as chairman of the company.

Mr. E. Ian Ford has been appointed managing director of B. AND S. MASSBY, one of the companies in the manufacturing division of Head Wrightson. As a result of this appointment Mr. Ford relinquishes his directorships in two other Head Wrightson companies, Grosvenor Steel Fabrications, and Pardon Engineering.

Following the setting up of the new TRUSTEE SAVINGS BANKS CENTRAL BOARD, which replaces the former Trustee Savings Banks Association, the following appointments have been made: Sir Athelstan Carde (formerly TSB's chairman) becomes President and Mr. Andrew Rintoul is chairman. Mr. Tom Bryans is chief general manager and Mr. J. F. D. Miller deputy chief general manager.

The following appointments have been made to the Board of HODSON LYNCH, international trade finance. Mr. S. Alper (chairman), Mr. Lewis Garfield and Mr. T. Yardley.

Mr. H. S. Axton has succeeded Mr. E. F. Webb as chairman of NUFFIELD NURSING HOMES TRUST, the charity set up and sponsored by British United Provident Association.

BASF Aktiengesellschaft Ludwigshafen am Rhein

We are convening our 24th Annual Meeting of Stockholders

on Wednesday, June 30, 1976, 10:00 a.m.
at the BASF Feierabendhaus, Leuschnerstraße 47,
Ludwigshafen/Rhine, West Germany

Agenda

1. Presentation of the Financial Statements of BASF Aktiengesellschaft and BASF Aktiengesellschaft and its Consolidated German Subsidiaries; Presentation of the Annual Report of BASF Aktiengesellschaft and its Consolidated German Subsidiaries; Presentation of the Supervisory Board Report
2. Declaration of dividend
3. Ratification of the actions of the Supervisory Board
4. Ratification of the actions of the Board of Executive Directors
5. Election of a new Supervisory Board member
6. Appointment of Auditors for the Fiscal Year 1976

Shareholders entitled to participate in the Annual Meeting and to exercise their right to vote are those who have deposited their shares during normal office hours and in the prescribed form at a depositary bank before the conclusion of the Annual Meeting. Depositary banks are those specified in the „Bundesanzeiger“ of the German Federal Republic No. 96 of May 21, 1976.

Depositary banks in the U.K. are:

Kleinwort, Benson Limited,
S. G. Warburg & Co. Ltd.

The deposit of shares is only effective if they are lodged by the 25th June, 1976, at the latest.

Ludwigshafen am Rhein, May 21, 1976
BASF Aktiengesellschaft
The Board of Executive Directors

BASF

Group results for the quarter to 31st March 1976

Ultramar

Company Limited

Consolidated financial results	First Quarter 1976	First Quarter 1975	Year 1975
	£000	£000	£000
Sales	£82,645	£57,563	£275,344
Profit on trading	5,932	8,738	28,740
Amortization, depreciation, depletion and amounts written off	2,374	2,785	8,647
Profit before taxation	3,558	5,953	20,093
Taxation on profit for the period			
Current	924	1,819	5,062
Deferred	(614)	193	1,092
	310	2,012	6,154
Earnings attributable to Ultramar Group	£3,248	£3,941	£13,939
Cash flow from operations	£5,008	£5,919	£23,158
Earnings per ordinary share	9.5p	11.5p	40.9p

Included in the first quarter 1975 results were £1,069,000 profit before taxation, £821,000 taxation and £248,000 earnings all in respect of operations in Venezuela, which ceased at the end of 1975.

The credit for Deferred Taxation in the first quarter 1976 arises mainly because of a tax loss on Eastern Canadian operations.

Group earnings are very largely in U.S. and Canadian dollars which for the three months to 31st March 1976 have been translated into sterling at U.S.\$1.92 and Canadian \$1.89 to £1. The comparative figures for the three months to 31st March 1975 give effect to the exchange rates adopted for the 1975 whole year Group Accounts, i.e. U.S. \$2.02 and Canadian \$2.05 to £1. Taken at the rates ruling at 31st March 1975, which were U.S. and Canadian \$2.40 to £1, the earnings attributable to Ultramar Group for the first quarter of 1975 were £3,478,000 as previously reported.



The British Oil Company

Ultramar Company Limited, 2 Broad Street Place, London EC2M 7EP

Consolidated statement of sources and application of funds	First Quarter 1976	First Quarter 1975
	£000	£000
Source of funds		
From operations:		
Earnings attributable to Ultramar Group	3,248	3,941
Amortization, depreciation, depletion and amounts written off	2,374	2,785
Deferred taxation	(614)	193
	5,008	5,919
Shares issued during the period		
Loans raised (including U.S. \$20,000,000 Term Loan from a consortium of Banks)	23,229	12,824
Less: Loans repaid	(12,824)	(12,824)
	10,405	10,405
Decrease in long-term receivables		
Disposals of fixed assets		
Exchange differences arising through currency realignments	1,067	274
Miscellaneous items		
	11,472	11,679
Application of funds		
Additions to fixed assets	8,420	8,709
Increase in working capital		
	11,472	11,679
Working capital at end of quarter	£47,735	£47,735

Since the end of the quarter the Company has raised by way of a Rights Issue £14.7 million, net of expenses, by the issue at par of 15,322,772 7 per cent Convertible Redeemable Preferred Shares of £1 each.

Operating results	First Quarter 1976	First Quarter 1975
	1976	1975
Sales of oil (barrels per day)	151,400	125,700
Oil refined (barrels per day)	10,100	8,700
Oil produced (barrels per day)	6,300	10,700
Gas produced (thousands of cubic feet per day)	8,300	5,100
Gross wells drilled	13	
Oil and gas wells completed (in which the Group has varying interests)	9	
Oil produced in the first quarter 1975 included 5,700 barrels per day in Venezuela.		



Tokyo Pacific Holdings N.V.

Curaçao, Netherlands Antilles

In the Annual General Meeting of Shareholders held on 21st May, 1976 a cash dividend of US\$0.30 per Ordinary Share was declared payable as from 31st May, 1976 against delivery of dividend coupon No. 6 with any one of the Paying Agents:

Pierson, Holding & Pierson N.V.
Herengracht 206-214, Amsterdam

Manufacturers Hanover Trust Company
7 Princes Street, London EC2R 8AQ

Banque Rothschild
21 Rue La Fayette, Paris 9

Sal. Oppenheim jr. & Cie.
Unter Sachsenhausen 4, 5 Köln

Trinkaus & Burkhart
Königsallee 17, Düsseldorf 1

Tokyo Pacific Holdings (Seaboard) N.V.

Curaçao, Netherlands Antilles

In the Annual General Meeting of Shareholders held on 21st May, 1976 a cash dividend of US\$0.22 per Ordinary Share was declared payable as from 31st May, 1976 against delivery of dividend coupon No. 6 with any one of the Paying Agents:

Manufacturers Hanover Trust Company
7 Princes Street, London EC2R 8AQ

Pierson, Holding & Pierson N.V.
Herengracht 206-214, Amsterdam

Banque de Paris et des Pays-Bas
3 Rue d'Antin, Paris 2

Banque de Paris et des Pays-Bas
31 Rue des Colonies, Bruxelles

Banque de Paris et des Pays-Bas
pour le Grand Duché de Luxembourg
10a Boulevard Royal, Luxembourg

JOBS COLUMN

Marketing head • Opulent official • Face of journalists

MICHAEL DIXON

IN, in North Yorkshire, he wrong side of the of course, so I suspect natives may be some- cultured. But there is a offer there which, for ht person, might be putting up with a bit tual deprivation. or a marketing manager thin two or three years, t the chief executive's t Textured Coatings — which makes the as "Texgard" range ective and decorative t. first task is to lead a profitable increase in olume, and candidates emonstrable commercial in managing marketing ent. With incentives earnings "will probably" ve the £8,000-£10,000 Preferred age 30-45. tations to Bob Kinnaird, industrial consultancy Kinnaird, 75 Buchanan Street, Glasgow G1 5RH— telephone 041-221 7430.

LOOKING at that last job and thinking of the next one, I can believe the Cabinet Minister who privately observed recently that no senior official in his Department of State would accept that there were managers in industry who were really being paid less than £12,000 a year.

For the Civil Service Commission is in the market on behalf of the Department of Health and Social Security, for a manager of medicine control. And the pay is a striking £11,410 (I can't bear to think of those non-contributory index-linked pension benefits, as well).

Mind you, the job—directing the division which watches over pharmaceutical activity in the United Kingdom—is not small. As well as top-nobbing with the pharmaceutical industry and other Government Depart-

ments and appropriate organ- isations here and overseas, the newcomer will head 60 gradu- ate staff.

These ladies and gentlemen are in three sections occupied mainly with advisory and statu- tory duties. They provide guidance on the safety, quality and effectiveness of medicines and some surgical materials, and on policy concerning certi- ficates covering clinical trials, and licences for products. The staff also advises on enforce- ment of the Medicines Acts, and supplies services to the British Pharmacopoeia Commission.

So there will be much on the plate of the incoming graduate, registered pharmacist with man- agerial experience of production, development or quality control preferably in pharmaceuticals and perhaps knowledge of the setting up of national and inter- national standards for medicinal products to boot.

But, all the same, I wonder to what extent all this doubtless demanding work is necessary.

Inquiries, quoting T/9185, to the CSC at Alencon Link, Bas- ington, Hants RG21 1JB—Tel. Basingstoke 68551 or, for answer- ing service, 01-539-1992. Closing date for applications June 18.

qualified accountants of all sorts and claims a circulation of about 63,000 copies.

Leon Hopkins, the editor, says that the newcomer will principally be looking after the journal's news coverage although since only three journalists are employed full-time, the job will consist not only of winking out good news stories in the accountancy field, but also writing a lot of them.

His ideal would be a youngish but well experienced hack with a background of accountancy or failing that, with knowledge of business and a high learning- rate. But once again, an accountant keen and able to join the brotherhood—occu- pational motto: "There's always another quarter of an hour" — would be considered.

Salary above this column's normal floor-price of £4,000. Applications to Mr. Hopkins at Morgan Gramplan House, Calderwood Street, Woolwich, London, S.E.18—tel. 01-855 7777.

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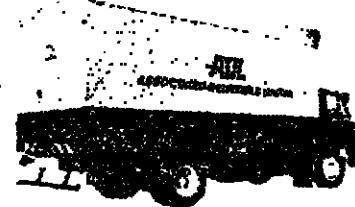
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Particulars of the Stock are available in The Exchange Telegraph Company Limited statistical Services and may be obtained during usual business hours on any weekday (Saturday excepted) up to and including 14th June, 1976 from:—

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BILL AMBROSE, editor of the Dublin-based weekly journal *Business and Finance*, must be unique because he is worse than I am at snooker. We stumble into one another every now and again at the International Management Game, in which there is always an Irish team partly-sponsored by his magazine as well as the particular year's United Kingdom champions partly sponsored by the Financial Times.

He is looking for an assistant editor, to be number three in an editorial staff of about seven, whose work will be very largely writing. The prime task will be to specialise either in economics coverage, or in good investigative journalism over a fairly wide range of business topics, though whenever gets the job will have also to muck in with some of the general work of the journal.

Bill's idea of the most suitable age range is late 20s to early 30s, and he is thinking of a journalist with business know-how, rather than someone the other way around. But someone with appropriate qualifications and experience in the economics or general business area who is improvident enough to expect to make do as a journalist would not be ruled out.

The salary is about £4,500 (costs much like those here) plus expenses. I gather that, at present, there is a buyer's market in housing in Dublin. Candidates don't have to be Irish. "Some of our best friends are lousy Englishmen," Mr. Ambrose says.

Applications to him at 93, Lower Baginbun St., Dublin 2—tel. 764587.

ANOTHER magazine seeking a journalist is the London-based *Accountants' Weekly*, which is supplied free on request to

"Hongkong Land's Future Growth Potential is Assured."

Earnings and Dividend Increased.

A year ago the Chairman's report predicted that 1975 would present difficulties in a world of economic uncertainty, but that the group's basic strengths would enable it to perform favourably. Events have borne this out and in a climate of gradually returning business confidence and partial economic recovery, the group's record earnings have been improved, enabling the payment of an increased dividend.

The very nature of our main business involves long term property investment and in 1975 we have progressed several new developments so that the future growth potential of the group is assured.

Group net profit after tax for 1975 was £18.3 million compared with £17.6 million for 1974. Earnings per share rose to 3.81 pence from 3.66 pence for 1974, an increase of 4.0 per cent.

An interim dividend of 1.06 pence per share was paid in November and a final dividend of 2.01 pence per share is recommended, making 3.07 pence for the year 1975, an increase of 3.6% over 1974. The dividend cover is 1.24 times, the same as for 1974.

Early in 1975 a US\$40 million secured syndicated loan facility was arranged, to be available over five years. An unsecured loan with floating interest rates for US\$11 million has been arranged in connection with the Jakarta Mandarin hotel project.

In July 1975 the company was listed on The Singapore Stock Exchange, reflecting the group's considerable investment in the Republic through ownership of Fitzpatrick's Food Supplies (Far East) Ltd.

The 24-storey Alexandra House taking shape in Hong Kong's Central District.



Commercial Properties

The continuing demand for first class office and retail space in Hong Kong's Central District, augurs well for our £53.5 million redevelopment scheme, which would increase our lettable commercial space by 25 per cent, to 3.9 million square feet. This scheme is proceeding on schedule and Stage One, the new 34-storey Alexandra House, will be completed in August 1976 with occupation later in the year.

Present indications are that this new building will be substantially let before the end of 1976 and, when fully let, will contribute some £0.3 million a month in gross rentals.

Stage Two is scheduled to commence in 1977 when construction should begin on a 45-storey office tower on the site of Gloucester Building, demolition of which will begin at the end of this year.

During 1975, our existing office space in Central District remained virtually fully let and this situation continues.

The 41-storey World Trade Centre in Causeway Bay (45 per cent owned by the group), was completed in late 1975 and has been substantially let. The Hong Kong Convention Centre in the podium of the building was opened in September and has been operating successfully as a centre for major international conventions and a banquet and function venue.

During 1975, a 30 per cent effective interest was acquired in a 15-storey office building in Jakarta while in Kuala Lumpur, planning

approval has now been obtained for a 19-storey joint venture office building.

Residential Properties

The demand for first-class residential space remains strong in Hong Kong. The group's portfolio comprises prime properties, and income from them has remained high.

Branksome, a 26-storey building of 92 apartments and two penthouses, will be completed in mid 1976 and pre-lettings are high.

Branksome: Hongkong Land's new luxury residential development in Mid-levels Hong Kong.



Eight luxury houses in Mount Kellett Road, The Peak, were completed and have been sold or let. A new joint venture was entered into in February 1976, to develop an estate of 42 luxury units on a prime site in Stanley.

The residential estate previously planned for Halim Park, Jakarta, has run into protracted planning difficulties and this project has now been terminated.

Property Trading

The group is currently negotiating with Government concerning a large scale development in Pokfulam, which, subject to final approval, will result in a new township of some 3 million sq. ft. It is expected that the project will commence later this year and be completed in stages over the next six to eight years, providing some 4,350 flats for middle-income purchasers.

Hotels

Your group is expanding its hotel interests and will soon be operating a number of hotels on the style of the internationally-renowned Mandarin in Hong Kong. Two new 500 room Mandarin hotels are now under construction: the Manila Mandarin (30 per cent owned) will be open in two stages in late 1976 and early 1977; and the Jakarta Mandarin (40 per cent owned) is planned to be opened in 1978. The Oriental in Bangkok (49 per cent owned) will shortly open its new wing of 350 rooms and the occupancy rate is expected to be high.

The 500 room luxury Manila Mandarin under construction in Manila.



In January 1976 we increased our interest in East Point Hotels Ltd, owners of the Excelsior, and together with the share held by our subsidiary, City Hotels Ltd, this gives the group control of what is Hong Kong's largest hotel. The facilities of the Excelsior combine logically with the adjoining Hong Kong Convention Centre.

Food Distribution

The group's major food distribution interests are held through subsidiaries operating within the Dairy Farm group, which incorporates Fitzpatrick's. During 1975,

despite economic pressures, the Dairy Farm group continued its programme of planned expansion and achieved improved trading results, with net profits rising by 12 per cent.

A £3.2 million ice and cold storage facility was opened in 1975 in Shek Pai Wan, Hong Kong. This is the most modern of its type in South East Asia and as well as increasing our capacity and efficiency it has enabled the closure of the old unit in Great George Street, Causeway Bay — releasing this prime site for future development.

In Singapore, Fitzpatrick's has recently opened a £2.2 million warehousing and food processing complex in Jurong, the largest of its type in South East Asia.

The catering divisions operating in Hong Kong, Thailand, Guam, Australia, Indonesia and Singapore produced substantially improved results.

The food trading divisions in Hong Kong, Thailand and Singapore traded satisfactorily. New shopping centres were opened at Repulse Bay and Watford Road in Hong Kong; at Moorebank in Sydney; and a small unit at Queensway in Singapore. Further expansion of the supermarket division is planned.

Dairy Farm's thriving Fitzpatrick's supermarket in Orchard Road Singapore.



Future Prospects

Future prospects can be viewed with optimism. In the medium term, growth in profits will result from the completed Alexandra House, the World Trade Centre, Branksome, and the Oriental and Manila Mandarin hotels. Long term growth should arise from the remaining two stages of the Central District re-development scheme, the Jakarta Mandarin Hotel and the proposed Pokfulam project.

The group's financial resources are presently sufficient to meet the requirements of all projects for which commitments have been made. We continue to seek new developments in the main sectors of the group's activities — commercial and residential property, hotels and food distribution — in which fields we remain one of the strongest groups in the Pacific Region. Notwithstanding the various projects in the development stage, the Directors are confident that the profits for 1976 will show a further improvement and that the dividend will at least be maintained.

	1975 £	1974 £
Group profit after tax	18,300,000	17,600,000
Dividends	14,800,000	14,200,000
Shareholders' Funds	303,600,000	303,500,000
Earnings per share	3.81 pence	3.66 pence
Dividends per share	3.07 pence	2.96 pence
Net Assets per share	0.63	0.63

D.K. Newbigging Chairman

The Hongkong Land Company Ltd.
Gloucester Building, Hong Kong.



Amfas Group Ltd.

established in Rotterdam,
Westerstraat 3.

Annual general meeting of shareholders, to be held on the 26th May 1976 at 11.00 hours at the office of the company in Rotterdam.

The Board of Supervisory Directors informs herewith that Messrs. C. D. Matthijssen and J. de Wilde shall retire by rotation in the general meeting of shareholders on the 26th May 1976.

The Board of Supervisory Directors brings herewith to your notice that he intends to appoint Messrs. C. D. Matthijssen and J. de Wilde as a Supervisory Director to fill the existing vacancies in case the general meeting does not recommend other persons for the appointment as a Supervisory Director.

The general meeting has the right to object to the proposed appointments. The data, as laid down in article 50b subsection 3 of the Commercial Code regarding Messrs. C. D. Matthijssen and J. de Wilde is open to public inspection as well as the agenda.

Furthermore the Board of Supervisory Directors informs that Messrs. P. A. Huet and D. Quint shall retire by rotation as a Supervisory Director in 1977.

The agenda of this meeting and the annual report 1975 are open to public inspection and obtainable free of charge for each shareholder and certificateholder at the office of the company, at the headoffice of the RVS Life Assurance Ltd. in Rotterdam, Westerstraat 3 and at the Insurance Company "The Seven Provinces" Ltd. at the Hague, Lange Voorhout 3 and at the regional office in Amsterdam, Sarphatistraat 4.

Shareholders have only admittance to the meeting if they have notified the Executive Board by letter, at the latest on the 24th May 1976, of their intention to attend the meeting.

Holders of share-certificates in the company have admittance to the general meeting of shareholders on presentation of a proof of registration of their certificates with one of the offices of the Algemeene Bank Nederland N.V. or the Amsterdam Rotterdam Bank N.V. at the latest on the 24th May 1976.

Board of Supervisory Directors
Rotterdam, 10th May 1976.



Coventry

DESPITE THE current recession problems of the car industry—about which the city has tended to revolve for many years. Coventry does not give the impression of a doomed city fighting for survival, with street corners cluttered with unemployed

To be sure, it is a place where unemployment is above the national average and where thousands of people are daily concerned about the safety of their jobs, yet the overall impression is still one of an on-going, progressive city which has successfully brought about the transition from the medieval to the modern and which, by its very appearance—clean cut and often excitingly designed concrete structures blending with old spires and history in preservation—inspires a sense of confidence.

Though there would seem to be a strong case for making the area a Government-assisted one to attract diverse industrial growth, a walk through Coventry gives no indication of a city in distress or under pressure. Shops are well filled with merchandise and well-peopled, central streets and precincts are clean and often traffic-free and there is a general air of prosperity.

For some years—Coventry has been trying, through its Chamber of Commerce, its

council and various industrial associations and federations, to emphasize that it is not totally dependent upon the motor car and that it has much to offer besides, in terms of large and small companies representing modern technological products and forward-looking management. Though vehicle and vehicle component manufacturers are still the largest employers, there has been a not unnatural desire to find alternative sources of employment. Thus ex-car workers have moved into new fields, either by choice or necessity, and are being retrained to meet new technologies.

There is a tendency to see Coventry as a modern industrial city which accepts residents and visitors as an adjunct. Yet in economic terms the attractions of the place as one which offers good areas for housing, competitive shopping and all-round community facilities should rate highly. Would-be settlers can be confident that they are coming to an area of exciting potential—yet to be fulfilled—and one which is close to attractive countryside; it offers, mostly, the best of urban life with a pleasant touch of the rural. One does not feel submerged in urbanity and "big city" life.

In fact, Coventry is remarkable in the transformation which has been brought about since the blitz of November, 1940, when a large part of the city centre, including the Cathedral, the central library,

swimming baths and over 400 shops, was destroyed. From the ruins arose the modern city, built around that much of the old which remained. The redevelopment plan has been the basis of much which has happened since, though reassessments of essential requirements have naturally induced some changes.

Disp

to be a radical rethinking on the city's road pattern. This became necessary when it was apparent that Coventry had one of the highest rates of car ownership in the country. As a result some main streets were widened and the Inner Ring Road—completed in 1971—was planned on a bigger scale than had been envisaged originally, providing an efficient dual-carriageway by-pass of the centre with feed-off intersections serving all the main routes into the city. At the same time, considerable car parking space for shoppers was incorporated in the redevelopment plans.

What has not come, however, and remains a sore point with

many individual motorists and the firms in Coventry for which they work, is enough parking spaces to cater for office workers, who are often left to play a day-long game of hide-and-seek with traffic wardens or simply to despair and regularly pay parking fines. Regrettably, few of the early new office blocks incorporated their own parking facilities but more

play hi

By Martin

not only in the newer precincts but also in older streets can

enjoy the freedom of unharassed shopping.

Coventry has a remarkably low density in residential development and can be viewed as essentially a city of workers. Over 60 per cent. of the employment force is in manufacturing industry: nine out of ten of their number by major companies. Uncertainty about the future of the car industry, con-

des re

n Hedges

tinuing labour problems, short time and redundancies have all been accompanied by an increase in the number of small firms not dependent upon the motor industry. More are needed, however, to give a proper balance of diversification free from the vicissitudes of that industry.

In particular there is a low rate of employment in service industries and though in the past three years or so the rate of commercial development did increase, for some reason the city has not attracted as much of this type of employment as it would have liked. This despite the fact that it can offer highly competitive rentals of around £2 and £3 per square foot for

good, new, well-serviced accommodation. Nor has it been successful in drawing to itself any of the Government departments which have been decentralised from London.

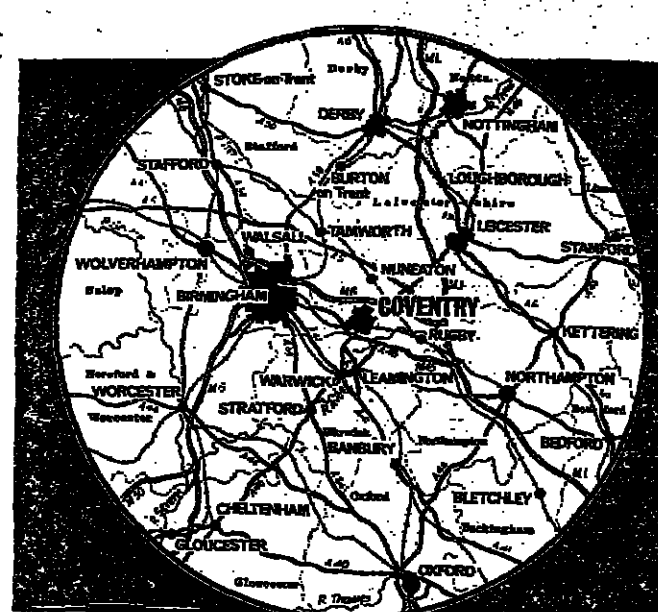
This, in itself, is also surprising in view of the city's excellent road and rail links, not only with the capital but also via the Midland motorway links—in the centre of which it

stands — with the rest of the country.

For many years Coventry has been faced, like many another city, with a diminishing availability of land for industrial and residential needs within its boundaries and the necessity for land elsewhere to meet the estimated population growth to

estimated population growth to 387,000 in 1998 envisaged in the structure plan. The cutback in local authority spending as well as a fall in demand for housing have to some extent temporarily relieved the pressure but there can be no doubt that the land problem has not gone away.

A particular area of successful growth in recent years has been in the hotel and catering business, spurred though not



Display hides reality

By Martin Hedges

THE MORE WE SOW THE MORE YOU REAP

The more you put in, the more you get out. It's an old adage. But for Massey-Ferguson, Coventry has always proved particularly fertile ground.

From small beginnings in 1946, our Coventry tractor plant has become the largest in the western world. And for many years more than 75% of output has been exported all over the world.

Tractors which play a vital part in meeting the ever-increasing world demand for food. Tractors which make a vital contribution to Britain's balance of payments.

With the launch this month of Massey-Ferguson's new 500 Series tractors seen here, Coventry again underlines its importance to world agriculture. Featuring the advanced environmental Supercab, the new range is designed, engineered and built to boost farm productivity even further, as well as to maintain Massey-Ferguson's traditional position of leadership.

But leadership doesn't come overnight. It's the result of years of development, experience, skill and good will. Plus continuous investment in new plant and machinery. The 500 Series represents a considerable achievement for Coventry—and for many of the 11,000 people working with Massey-Ferguson in Britain who have been associated with the project.

Massey-Ferguson, investing in Coventry to keep it the tractor centre of the world. Investing in Coventry to give the world a better harvest.

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Limited, Banner Lane, Coventry.**



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COVENTRY II

Motors dominate industry

STABLY, THE industrial redundancies and involving in Coventry has tended to be dominated by the motor industry, which had been the largest employer in the city for many years. The number of companies in the industry has fallen from 1,200 to 1,500, but the number of jobs has increased by 10,000.

Talks are still being held with the unions to seek agreement to management plans involving the transfer of some workers from the Ryton plant at Coventry to the Stoke works. In the meantime there has been a welcome and much-needed upturn in demand both at home and overseas.

The biggest boost has come from Iran, where an order for 58,000 Hunter car component kits to be delivered this year has been increased by a further 12,000 kits. In addition the Iranian order for 1977 is for no fewer than 125,000 sets and it is planned to start producing these this summer, thus giving further grounds for hope in avoiding more redundancies.

Importance

Some industrialists in the city feel that "the media" have over-emphasised the importance of the Chrysler situation in relation to industry in general in Coventry. As the managing director of one local engineering company said: "We feel that, for a further 2,000-odd

to over-play what has happened at Chrysler had damaged the trading prospects of other companies not involved with Chrysler and which have good management-employee relations. In the main, labour relations have improved in the engineering field and undoubtedly this is partly because many people in management have come up through the ranks."

Whether or not Coventry's workers agree with his view depends on the type of work in which they are involved. Those whose jobs depend upon the Chrysler survival would be in disagreement while others who have been untouched by it—shop and store managers whose takings have been only marginally affected, for example—might agree with his summation.

The feeling at a recent meeting of the engineering section of Coventry Chamber of Commerce, attended by over 60 managing directors of engineering companies in the city, was that decline had been halted in their field, that the climb back had begun with signs of increasing numbers of orders and that the economic trend had been reversed. Even so, they were agreed that there was a long

way to go before they could acknowledge complete recovery and were still unhappy about the general economic situation.

Over the years Coventry's considerable reliance on the motor industry has led to a series of severe jolts in times of recession; these have prompted a determination to seek greater diversity in industry. It was a determination given added impetus by the industrial traumas of 1971, when Rolls-Royce collapsed and left several local companies facing severe problems.

Partly as a result of this experience and also from fear of the consequences of recurring recession in the motor industry, some smaller machine tool manufacturers have moved away from specialisation in vehicle components. At the same time there has been an increase in the number of companies, mostly employing fewer than 50, dealing in electronics and plastic products. So far, though, no major new industrial interest has been attracted to the city.

The Chamber of Commerce, the city council and manufacturing associations have pressed Government to give assistance

in promoting diversification by treating Coventry as an area of special need—a theme common to the West Midlands—and by relaxing IDC restrictions. So far their approaches have been no more than "sympathetically received" and it must be said that acceptance of the pleas would set a precedent which might well open the floodgates for almost nationwide appeals.

One problem which Coventry still faces is its need for more industrial land not only to help expansion of existing industry but also to attract the required diversity. There are a number of fairly large parcels of industrial land but these are within the curtilage of existing company premises. Industrial land immediately available and fully serviced amounts to only 84.1 acres, of which the largest site is some 40 acres. There are prospects of more land being available to industry from sterile sites and private land, if Ministerial approval is given for acquisition, and there are other potential industrial sites covering a further 140 acres.

An important feature of industry in the city which has been emphasised by recession

in the home market is its overseas trade missions, which have been promoting Coventry's industrial capabilities to good effect. The most recent was to America and, though no firm figures for orders are available, initial reports from participants indicate specific inquiries which, if taken up, would be worth between \$2m. and \$5m. and a sizeable number of "genuine inquiries" which could result in orders.

A further three missions are planned for this year, to Singapore and Malaysia, to Australia and to Brazil. Next year no fewer than 13 such missions are planned, including one, by invitation, to the People's Republic of China. The success of the missions can be judged by the fact that documentation of exports by the Chamber of Commerce covered orders worth an estimated £73m. last year compared with £55m. in the previous year.

While employment in motor manufacturing tends to be regarded as a barometer of national economic trends, it has to be accepted that unemployment figures for Coventry and for the surrounding area make gloomy reading. In April, 1975, the total of unemployed in the Coventry, Bedworth and Nuneaton area was 9,261, or 3.93 per cent, and for Coventry alone 7,791. By April this year the area figure had risen to 17,374 or 7.09 per cent, compared with the national rate of 5.4 per cent, and the West Midlands rate of 5.5 per cent, and for Coventry alone to 14,261.

A feature of the employment situation in Coventry has always been the lack of work available to women, which reflects the low proportion of those employed in service industry. There is particular concern about the number of unemployed young girls and this has not been helped by the inevitable slowing down in office development projects which could have been expected to create new employment openings.

Martin Hedges

A revitalised centre

IN THE past 30 years the city has spent well over £1m. in major expenditure on land, sewers, and building in the central area. It was of the first cities to have a streamlined shopping precinct. It was able to plan for the car—a particularly important matter in this heartland of motor industry—in a way other cities were able to do at the time.

Today the inner ring road, which is running around the centre on stilts, is completed. As a complementary measure, large areas of the city, including the Cathedral and the main shopping areas and streets, have been pedestrianised. Coventry is a city where both walking and motoring are a pleasure.

Today Coventry can offer modern hotels and offices, and Coventry, along with the Guild and other public amenities

suitable to a city its size. The most recent public services to be provided are joint Baths/Sports Centre complex which in all will cater for 27 different sports. The Baths were completed some time ago, but the Sports Centre when it is finished this autumn will have cost around £2m.

Inflation, however, has now caused other civic projects to be delayed. There is concern that the building of new Law Courts, which should have started next year at a cost of £8m., may be delayed until 1981.

While it has revitalised the central area, the city council has also been keen over the years to ensure that the evidence that Coventry was a great medieval town still exists. Only about 30 medieval houses still remain in the city. Coventry, along with the Guild and other public amenities

St. Michael's and the Church of the Holy Trinity, to show the past glories of the city. Fortunately, some ancient houses are being preserved in the Spon Street Landscape Scheme, to remind Coventrians of their heritage.

It took Coventry some time to realise that its modern outlook and position in the motorway network made it ripe for office and hotel development. In particular, the siting of the National Exhibition Centre, which opened this year and is mid-way between Coventry and Birmingham, has encouraged further interest in these fields. Coventry is also becoming increasingly noticed as a tourist centre, both for visitors who want to see the Cathedral, and for those who want to use Coventry as a base to tour the West Midlands and central areas of England.

The result has been a change in Coventry's nature and status from a basically industrial city to one where modern hotels and new prestige office buildings play their part. Coventry's excellent motorway links, through the M6, to all parts of the country, and its position on the electrified railway line making it just over one hour's travelling time from London Euston, have encouraged these trends. Coventry has now become a commercial centre which can rival Birmingham in attraction and can offer lower rentals than its bigger neighbour.

Coventry was slower off the mark than many cities in developing a strong commercial centre, but this means it has not caught a cold like some other cities, which vastly over-esti-

mated their office potential. Coventry at present has about 2m. square feet of office space completed; about 300,000 square feet is vacant. A further 226,000 square feet of prestige office space is under construction, and will be on the market soon.

Besides this, planning permission has been given for a further 1m. square feet of office space, but work has not yet been started on any of these schemes and is unlikely to begin in the present climate. The city wants to encourage new developments, but would like them to go ahead slowly while the present situation prevails, and while two large new city centre office blocks, containing nearly 200,000 square feet in all, remain empty.

Among the present office developments in the pipeline are two by the city council. These include a development of 55,000 square feet in the city centre, and one of 28,000 square feet of offices in the new Cannon Park shopping centre. These developments which are going ahead on schedule illustrate the cautious confidence Coventry has in its commercial future.

As far as office rentals are concerned, these are competitive with other parts of the West Midlands and considerably lower than rentals for similar offices in Birmingham. Top rentals for modern air-conditioned accommodation are about £2.50-£2.80 a square foot, and older office premises can be rented for about £1.50 a square foot. While office development proceeds somewhat cautiously at present, the market in industrial property has seen an

upsurge recently. Cartwright Holt and Sons, Coventry agents, say they have noticed a distinct upwards trend in the past six weeks—much more marked than at any time in the past six months. The level of inquiries has increased very strongly.

At present they are handling a 104-acre site, adjacent to the M6, which Alliance Property Holdings is proposing to develop. It is hoped to offer units from 3,500 square feet up to 150,000 square feet on this site. The same agents are also responsible for letting 14 units, with sizes varying from 2,300 square feet to 20,000 square feet, for MDS Developments. This site is also close to the M6, and within a mile of Junction 3. Two units are already let and three are under negotiation.

The city estates office also reports an upward surge in interest in the industrial market and has let eight sites in the past three months. The council owns about 50 acres of industrial land in the city, and at present about 30 acres of it, mainly at the Aldermans Green industrial site, has now been serviced and is ready for development.

In the past the city council has built small advance units, of around 1,000 and 2,000 square feet, but these have now all been let. A second phase of these small units is now being considered, and there is a proposal to build advance units in larger sizes as well, possibly on the Aldermans Green site which is adjacent to the M6.

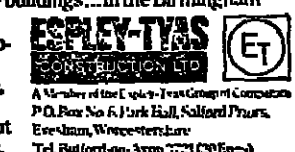
Eileen Totten

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[illegible]

1976-77. All figures based on prospectus or other official estimates for 1978. N Dividend not paid based on prospectus or other official estimate for 1976. G Gross. T Figure estimated. U No significant Corporation Tax payable. * Dividend noted to date.

Abbreviations: n ex dividend, w ex scrip issue, w ex rights, u ex call, & ex capital distribution.

"Recent Issues" and "Rights" Page 1

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TUC will seek to ease limit on pensions

BY CHRISTIAN TYLER, LABOUR STAFF

NEARLY ALL existing pay restraint rules should continue after August 1, when the 5 per cent. pay limit comes into force, says the definitive TUC document on the next pay guidelines published to-day.

The main exception would be that certain improvements to occupational pension schemes would not have to be subject to the £2.50-£4.00 pay limit on individuals.

The TUC also says that those who have had no pay rise since last August 1 because of the cut-off on high-wage earners introduced along with the present 5% policy, must wait for their normal negotiating time before taking the maximum £4-a-week increase to which they will be entitled.

These points are contained in a document called 'The Social Contract—1976-1977'. It will be voted on by a special TUC congress in London in three weeks' time when it is likely to receive overwhelming endorsement from the 10.5m. affiliated members.

Although briefly rehearsing TUC demands across the whole of the economy, the document is essentially the TUC side of the next social contract.

Discussions on the wider issues like price control, employment, public expenditure and industrial investment will be resumed between TUC leaders and Ministers after the special congress.

Framework

The framework for the next three years of the social contract is being constructed by members of the TUC-Labour Party liaison committee which meets to-day.

The committee will look at proposals put out by the TUC and Labour party headquarters, together with statements on price restraint from Mrs. Shirley Williams, Pricer Secretary, and Mr. Albert Booth, Employment Secretary.

These are the guidelines which the TUC says must be universally applied and whose breach, it says, it will oppose.

1—The policy to start on August 1, 1976 and to run to July 31, 1977. It comprises a percentage increase of 5 per cent. and total earnings for all hours worked with a cash maximum of £4 per week.

The figures will apply to all full-time adults—that is, 18-year-olds and over—with pro-rata payments for part timers and juveniles.

2—The sums will be payable as an individual earnings supplement. It will entail employers each week calculating total earnings and adding 5 per cent. to the result.

If the answer is more than £4.54 will be added. If less than £2.50, then £2.50 would be added.

3—The 12 months interval between major pay increases should continue to apply. Where no increase has been received since August 1, 1975 because of the cut-off requirements of the 5% policy, the normal negotiating date should apply.

4—All other improvements including non-wage benefits should be kept within the overall pay figure except as provided for by the present policy.

Improvements in, or introduction of, occupational pension schemes up to the contracting-out level provided for in the social security pensions Act can also be implemented outside the pay figure.

5—Negotiators to be responsible for ensuring that earnings do not exceed these levels. Where unions have difficulty in interpreting the guidelines, they should ask the TUC for help.

The document explains that it has been decided to eschew any extra help in order to deal with anomalies, differentials, problems, consolidation, of the 5% supplement, restoration of pay links, productivity schemes or pay restructuring.

Any extensions would have led to a reduction in the pay limit and could have had a "divisive and confusing effect."

The TUC points out that some 34 per cent. of workers stand to receive £2.50 from next August, 42 per cent. will get a 5 per cent. rise, and 23 per cent. will be affected by the £4 maximum.

Labour news Page 8

Traders call for beef inquiry

By John Edwards

A GOVERNMENT inquiry into charges that speculators are making large profits from buying surplus beef at secret prices is being demanded by the National Federation of Meat Traders.

Mr. Herbert Sibbitt, newly-elected president of the federation, which represents retail butchers, claimed that the system of confidential tenders issued for selling off frozen beef stocks could lead to "the biggest money-spinner since Bingo" for speculators outside the industry.

"Someone, somewhere, is making profits by dealing with taxpayers' money," he added.

Under the EEC system for keeping beef returns to farmers from falling too low, the intervention board buys and takes into store beef offered to it at the intervention price fixed by the farm Ministers annually.

Being held in cold store, the beef declines in value and is later offered for sale on the market at confidential tenders to minimum lots of five tons—too big for most individual butchers to handle.

According to Mr. Sibbitt, frozen beef is being obtained from the intervention board by private speculators at very low prices, then re-sold to the market at much higher prices.

Iceland Cabinet to consider cod peace terms

BY MALCOLM RUTHERFORD

A SETTLEMENT of the cod war lead and unilaterally establish 200-mile fishing limits.

There would be an attempt to overcome the emotive question of the total allowable catch by putting the emphasis on the fishing banks rather than on the specific tonnage figure. There would also be limitations on the number of fishing days in particular areas.

Iceland has come under pressure to settle from a number of other Nordic countries and knows that if it does, it will get tariff-free access for its fish and fish products to the European Community.

The question remains, however, whether the Cabinet will go along.

Goodwill

In his Grimsby constituency last night Mr. Crosland played down Iceland's threat to leave Nato if the Cod War is not settled. "A withdrawal would cost them a considerable amount in money and goodwill, so far as the U.S. is concerned," he said.

Settlement of the dispute depended on reciprocal goodwill, he said. His talks in Oslo on Friday, with Iceland's Prime Minister, Mr. Geir Halldorsson, had helped, but there was still an important gap between the two sides. He stressed that there had been no negotiations in Oslo, only talks about the possibility of negotiations.

Iceland had threatened earlier to withdraw from Nato unless the dispute was settled within six months.

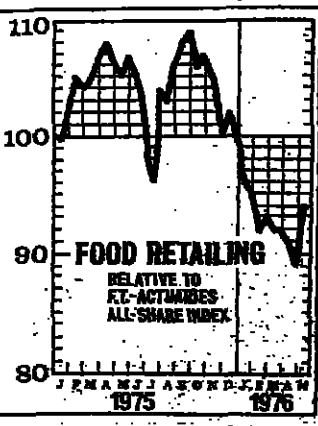
Changing trend in bank lending

THE LEX COLUMN

The money supply figures for the banking month to mid-April provide an inkling of the problems the authorities will face when bank lending to the private sector begins to trend upwards. Conceivably this has already started, for the modest rise in clearing bank lending already disclosed for the month turns out to have been the tip of a minor iceberg, lending in sterling to the private sector in all forms is estimated to have risen by about £420m. This was the first significant monthly rise in lending, on a seasonally adjusted basis for more than a year (though lending to the public sector fell).

It is possible that this may be a false alarm. With sterling on the slide companies were edging through the leads and lags on overseas payments, which called for extra sterling finance. Moreover the Easter Holiday made the seasonal adjustment more than usually hazardous. But the Bank of England continues itself to a comment that the increase in April "almost certainly exaggerates" any underlying upturn in the demand for bank credit. It does not try to suggest that there was no underlying increase at all.

At any rate, the narrowly defined money supply M1 has been rising at an annualised growth rate of some 27 per cent. in the past three months, and although that must be a freakishly high, the broader M3 measure has been rising at 13 per cent. or so, which is close to the limit coyly hinted at by the Government. Perhaps the money supply will have been more sluggish in the subsequent month to mid-May, aided by large sales of the long gilt-edged tap and further sterling finance according to the authorities through sterling support activities. But the behaviour of bank lending introduces a new unknown factor. It is beginning to look as though the authorities would have had to raise M1R from 9 per cent. even if sterling's problems had not forced their hand. On that view, if the stock market is regarding current short-term interest rate levels as being only temporary it is likely to be disappointed.



food retailing sector has started to appear at the top of the performance tables in the past few weeks. The preliminary figures from Sainsbury just over a fortnight ago provided one excuse for a reappraisal: after a 24 per cent. fall in the first six months, second-half profits jumped by over a third. And there are more general reasons that its food sales will increase by 31.3 per cent. in the months to July, compared with a 24.4 per cent. rise in the preceding half-year. The major retailers are expecting increases in prices to run at a continuing rate of somewhere in the region of 15 per cent. which, added to the impact of selling space (6 per cent. this year), points further substantial rises.

The intriguing feature is trend in costs. The 5% limit on wages, coming on of the move towards equal pay was an expensive business for the retailers—it pushed up in Kwik Save's stores up by fifth last September, a typical figure in the industry. But the latest round of settlements that rate of increase could very roughly halved. Productivity is increasing—Wm. Morrison cut its workforce by fifth in a year when its sales rose by nearly two-fifths, even at a company of Tesco size wages in January and February represented a lower proportion of sales than they did a year earlier.

Wages are the biggest component of costs—around two-thirds in the case of a group like Associated Dairies—and the other operating expenses should also be getting less steep. Rates are an obvious example.

According to a recent purchase recommendation by Messrs L. Messel, average margins of the major supermarket groups fell by around 23 per cent. between 1973 and 1975-76. However, to judge by the latest Price Commission report the third quarter of 1976 might just have marked a nadir. The change may not be dramatic: for instance, group like Associated Dairies at Kwik Save, with very low gross margins and high rates of physical expansion have not noticed much change in what is already a strong operating environment, and other companies are certainly not going out on a limb. Wage settlements fall in at different times (Sainsbury's only came through a couple of months ago) and most projections of sales volumes are still very hesitant. All the same, the outlook for the higher cost food retailers does look noticeably more encouraging than it did a few months ago.

U.K. report clears U.S.-type reactors

BY DAVID FISHLOCK, SCIENCE EDITOR

U.S.-STYLE nuclear reactors could be built safely in Britain without major changes in pressure vessel design to accommodate safety rules.

This is the basic conclusion of the Marshall Report on nuclear pressure vessels, undertaken late in 1974 by a scientific team led by Dr. Walter Marshall, deputy chairman of the U.K. Atomic Energy Authority.

The report was written for the Government's chief nuclear inspector as a key part of a complete safety assessment of the U.S.-style light water reactor and its acceptability under U.K. nuclear safety conditions.

The conclusions of this long-awaited and scientifically very exacting study—Dr. Marshall originally expected to need only six months to prepare his report—are likely to prove a considerable relief to Westinghouse Electric, as the leading vendor of the most highly-rated of such reactors.

Of all nations with a sophisticated nuclear safety programme, only the U.K. and Canada have not officially cleared the pressurised water reactor, the design developed by Westinghouse.

This company, seriously affected by the recession in the U.S. reactor business, is becoming increasingly dependent on sales overseas and dearly wishes—in face of growing opposition to nuclear plants—to be able to claim that its nuclear steam supply system has the blessing of nuclear safety authorities worldwide.

If Britain's Nuclear Installations Inspectorate—an independent body reporting to the Health and Safety Executive—should decide that, in order to match U.K. safety standards it must place operating restrictions on a big pressurised water reactor in Britain, it would be a serious setback for Westinghouse and valuable ammunition for anti-nuclear groups.

But Westinghouse executives, who have seen early drafts of the Marshall report, are highly complimentary about its scientific integrity and the depth with which Dr. Marshall's team has investigated the complex metallurgy of these big vessels.

Final report

The final report of the study is expected to be in the hands of Mr. Ronald Gausden, chief nuclear inspector, in about a month.

Although the report will recommend certain conditions to bring these pressure vessels into line with Britain's regulations on nuclear containment, these will be basically organisational and concerned with ensuring that approved technology is transferred efficiently and without ambiguity to the U.K.

A final draft of the report is being sent for comment this week to Sir Alan Cottrell, only the U.K. and Canada have not officially cleared the pressurised water reactor, the design developed by Westinghouse.

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Pressure

Mr. Sibbitt said he had been offered some of this beef at just below market price, as had several other butchers.

Some 10,500 tons of British beef is now held by the intervention board and many thousands of tons of Irish beef are also held in Britain.

The U.K. intervention board is continuing to buy about 500 tons of beef a week, despite recent action by the Government to limit the types of cattle that can be offered. Butchers claim that the intervention level is too high.

Butchers are also alarmed at a big rise in British exports of cattle, especially calves, to Italy.

Mr. Tom Torney (Lab., Bradford South) said yesterday: "The Common Market intervention system, far from deterring speculators, actually plays into their greedy hands at the expense of the butcher and the housewife."

He said he would be raising the matter with Mr. Fred Peart, Agriculture Minister, when he sees him to-day.

U.S. groups add to U.K. investment

BY ADRIAN HAMILTON

AMERICAN-OWNED companies have taken an increasingly large share of manufacturing investment in Britain in the last two decades, although the U.K.'s share of total U.S. company investment in Europe has been steadily falling.

According to a new study by Professor J. H. Dunning and Mr. R. D. Pearce of the Economic Advisory Group, published to-day between 1950 and 1974 the direct capital stake of U.S. companies in Britain grew at an average of 12.4 per cent. a year, or nearly twice the rate of GDP.

The study shows that in 1973-74, U.S. affiliates in U.K. manufacturing industry had sales of almost £5bn—12 per cent. of U.K. manufacturing output. They employed 9 per cent. of the U.K. labour force and accounted for 16 per cent. of total British manufacturing exports.

Despite the growth in investment however, the U.K.'s share of U.S. investment in European manufacturing between 1950 and 1974 fell from 49 per cent. to 30 per cent.

The picture which emerges from the study, published by Wilton House Publications, confirms the general impression of the U.K. industry favouring high-technology export industries in Britain, of achieving higher productivity than their U.K. competitors, and of enjoying faster growth.

The study dispels some popular myths about U.S. companies, such as their allegedly favouring of American over local management, and of U.S. investment tending to increase concentration of ownership in industries.

Less than 0.3 per cent. of the 740,000 people employed by U.S. manufacturing affiliates were U.S. nationals, the study reveals, and more than half the leading affiliates had no U.S. citizens on their payroll. Three in four U.S. companies in the U.K. are headed by a British managing director in 1966.

The study also records that U.S. affiliates exported 23 per cent. of their output in 1973-74, almost three-fifths of the exports going to other parts of the same groups, earning net foreign exchange of more than £200m. in 1974.

Analysing the pattern of U.S. ownership, the report suggests that American investment is strongly concentrated in a fairly small number of fast-growing export-oriented industrial sectors and that six sectors—food, tobacco, metal manufacture, other machinery, other electronic apparatus and motor vehicles—account for 63 per cent. of total U.S. affiliates' sales and for 48 per cent. of employment.

Affiliates

U.S. affiliates accounted for 22 per cent. of total U.K. sales in high technology industries in 1973-74, and for only 6 per cent. in low-technology industries.

They probably accounted for more than 10 per cent. of all privately-financed research and development activity in the country at that time, with the emphasis tending more towards applied and developmental than to basic research.

On the question of relative performance of U.S.-owned companies, the report is more tentative. But it does suggest that U.S. companies tend to do better than other foreign affiliates in the U.K. compared with British competitors and that they are more productive in their use of capital and labour and have grown faster.

U.S. Industry in Britain. An Economist Advisory Group study. Wilton House Publications, London. £30.

Datastream manager chosen

By Michael Lafferty

THE NEW general manager of Datastream, the computerised statistical information company, is Mr. A. L. Helman, former director of the Hoskyns Group—another computer services organisation.

Mr. Helman effectively takes over the position of chief executive previously held by Mr. J. G. Bleasdale, but will not have a seat on the Board, which is now composed entirely of non-executive directors.

Mr. David Hunter Johnston resigned as Datastream's chairman last week following a dispute which led to the departure of Mr. Bleasdale, Datastream's principal creator and the threatened reduction of over 100 other Datastream employees.

The company is still discussing with Mr. Bleasdale a role connected with its European activities. Mr. Helman said yesterday that he would shortly be talking to Mr. Bleasdale.

Continued from Page 1

Money supply up sharply

Flow of sterling resulting from support operations for the pound, which would tend to hold back the growth of money supply.

The figures for the banking sector are subject to particular uncertainty this time. Normal seasonal influences, which are adjusted out of the figures in order to assess the underlying trend, were fairly neutral.

But the figures were collected from the banks just two days after the Easter Holiday, with the result that there was an unusually large amount of transactions still in transit.

At the same time, public sector deposits with the banks were unusually high, reflecting tax proceeds on the way to the Exchequer. The result of these influences overall was to inflate deposits in the banks—contributing to a higher money supply—but to understate the level of advances.

After allowing as far as possible for these influences, the Bank estimates that bank lending in sterling to the U.K. private sector rose by about £420m. But it warns that this "enormous" increase in the public sector's borrowing from the banks.

A significant part of the rise in bank lending is thought to have resulted from companies borrowing to cover differences in the timing of their external receipts and payments in view of uncertainties over the value of the pound.

Nevertheless, the bank lending figure confirms the upturn already shown by the big London clearing banks. It also suggests that there was a considerable amount of borrowing from other sources during the period when clearing bank loan rates were relatively high.

Two factors tending to hold back the increase in M3 were the official support operations for sterling, and sales of gilt-edged stocks.

Official support operations for the pound brought a substantial amount of sterling to the Government through the exchange equalisation account, contributing to a decline of around £180m. after seasonal adjustment, in the public sector's borrowing from the banks.

A moderate amount of sales of gilt-edged stocks to the public also helped to hold down official borrowing and the money supply expansion (this month's sales should have contributed further).

There has also been a trend for money to be switched into interest bearing sight deposits (overnight and call money) rather than longer-term funds, with the probable effect of inflating the growth of M1 within the total. During the latest three months, the proportion of such deposits in M1 has risen, the Bank of England reports, from under 11 per cent. to 12 1/2 per cent.

As a result of these movements, both measures of the money stock showed a substantial increase last month after the small rises in March. After seasonal adjustment, M1 rose by 3 per cent. in the five-week period, to bring the increase in the last three months to 6 1/2 per cent. The increase in M3 last month was 1.3 per cent., making a rise of 3 1/2 per cent. over three months.

Over the past 12 months M3 has risen by 10 per cent. and M1 by 17 per cent.

Chrysler and Volkswagen car prices rise to-day

CHRYSLER (U.K.) is to increase the prices of its cars and commercial vehicles from to-day. Volkswagen and Audi have also announced some price changes.

The Chrysler increases vary from an average of 4.3 per cent. on U.K.-built cars to an average of 5.5 per cent. for the Continental-built range of vehicles. Commercial vehicles will go up by an average of 4.8 per cent. As a result, the cost of an Avenger two-door DL 1300 will go up from £1,558 to £1,615; and the price of the imported Alpine GL from £2,164 to £2,294.

Prices of most of the models in the VW Audi range remain unchanged but the VW Golf will go up to £1,996 from £1,935, a 3 per cent. rise in the standard price, while the Audi 100 model will go up by 4 per cent. This takes the cost of an Audi 100 L.S. for example, to £2,780 from £2,666.

Weather

U.K. TO-DAY
Sunny spells, rain later. Winds S.E., light or moderate. Very warm. Max. 21C (70F).
Cent. S. Cent. N.E., N.E. England, Midlands, Channel Is. Sunny spells; dry. Winds S.E., moderate. Warm. Max. 20C (70F).
S.W. England, Wales, I. of Man, N. Ireland
Dry, rain later. Winds S.E., moderate or fresh. Max. 20C (70F).
N.W. England, Lakes, S.W. Scotland, Glasgow, Cent. England, Dry, rain later. Winds S.E. fresh. Max. 15C.
Borders, Edinburgh and Dundee, Aberdeen, Moray Firth
Cloudy, dry. Winds S. moderate. Warm. Max. 18C (65F).
N.E. and N.W. Scotland, Orkney and Shetland
Cloudy. Winds S., fresh or local strong. Max. 13C (55F).
Lighting-up: London 21.28, Manchester 21.46, Glasgow 22.08, Belfast 22.08.

BUSINESS CENTRES

Alexandria	C	26	70	Manchester	F	26	68
Amsterdam	S	18	64	Melbourne	C	12	55
Algeria	S	22	71	Milan	S	22	72
Barcelona	S	21	70	Montreal	S	12	53
Bombay	S	14	57	Moscow	S	19	56
Buenos Aires	F	16	61	Munich	S	11	51
Berlin	F	18	64	Newcastle	C	18	64
Birmingham	F	18	64	New York	S	17	62
Brisbane	S	19	65	Osaka	S	18	66
Brussels	S	19	65	Paris	S	21	73
Budapest	R	14	57	Perth	S	18	64
Cairo	S	18	68	Prague	S	18	64
Cardiff	F	18	64	Reykjavik	C	9	49
Cebu	S	17	63	Rio de J'o	S	19	65
Copenhagen	S	17	63	Rome	S	19	65
Dublin	F	14	57	Singapore	S	31	87
Edinburgh	F	18	64	Stockholm	S	20	68
Frankfurt	F	18	64	Strasbourg	F	19	62
Geneva	F	17	63	Sydney	C	26	83
Glasgow	F	18	64	Tehran	S	25	77
Hamburg	S	22	72	Tokyo	S	24	76
Hong Kong	S	22	82	Toronto	S	18	64
Jakarta	S	24	74	Tyumen	S	18	64
London	F	18	64	Vladivostok	S	24	76
Lyons	F	18	64	Warsaw	F	18	64
Madrid	S	20	70	Zurich	F	18	64

HOLIDAY RESORTS

Adelaide	F	23	68	Majorca	S	22	72
Amsterdam	F	23	68	Malaga	S	22	72
Bombay	C	26	78	Malta	F	20	68
Barcelona	S	22	72	Nairobi	C	26	78
Berlin	S	22	72	Naples	S	22	72
Birmingham	F	21	70	Nice	S	22	72
Brisbane	La	14	57	Nicosia	C	22	72
Brussels	S	22	72	Oranjestad	S	22	72
Budapest	S	22	72	Rhodes	S	21	70
Cardiff	S	22	72	Sabang	F	21	61
Cebu	S	22	72	Saint John's	Tu	11	52
Copenhagen	S	22	72	Santo Domingo	S	24	74
Dublin	C	12	54	Tenerife	S	16	61
Edinburgh	S	22	72	Toronto	S	21	70
Frankfurt	F	15	55	Vladivostok	F	21	70
Geneva	F	15	55	Zurich	F	20	68
Glasgow	S	22	72		F	20	68
Hamburg	S	22	72				
Hong Kong	S	22	72				
Jakarta	S	22	72				
London	S	22	72				
Lyons	S	22	72				
Madrid	S	22	72				
Manila	S	22	72				
Moscow	S	22	72				
Munich	S	22	72				
Nairobi	C	26	78				
Naples	S	22	72				
Nice	S	22	72				
Nicosia	C	22	72				
Oranjestad	S	22	72				
Rhodes	S	21	70				
Sabang	F	21	61				
Saint John's	Tu	11	52				
Santo Domingo	S	24	74				
Tenerife	S	16	61				
Toronto	S	21	70				
Vladivostok	F	21	70				
Zurich	F	20	68				

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